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One of the biological effects of prohibition on the American people is that they are probably healthier because of the liberal quantities of Vitamin B which was forced upon them in home brew by the 18th Amendment.—*J. B. S. Haldane, British biochemist.*

ON HOW TO SKIP TWO GRADES

Our system of spelling is one of the worst in the world. If the universities would adopt overnight a simplified system of spelling, we could eliminate two years from the elementary schools.—*Dean William F. Russell, Columbia University.*

ON OUR DWELLINGS

The key to most of our housing difficulties is that most of our dwellings are produced not for use, but for speculation.—*Clarence Stein, Pres. Regional Planning Assn. of America.*

ON PALMISTRY

I had met David Graham Phillips at Jack Cosgrave's. After dinner he began reading people's hands. I said, "I can do that," and he held out his hand to me. "I could tell you a great deal," I said, "but you wouldn't live long enough to appreciate it." And in a few weeks he was dead.—*Mary Austin, in "Earth Horizon."*

ON FEMININE HONESTY

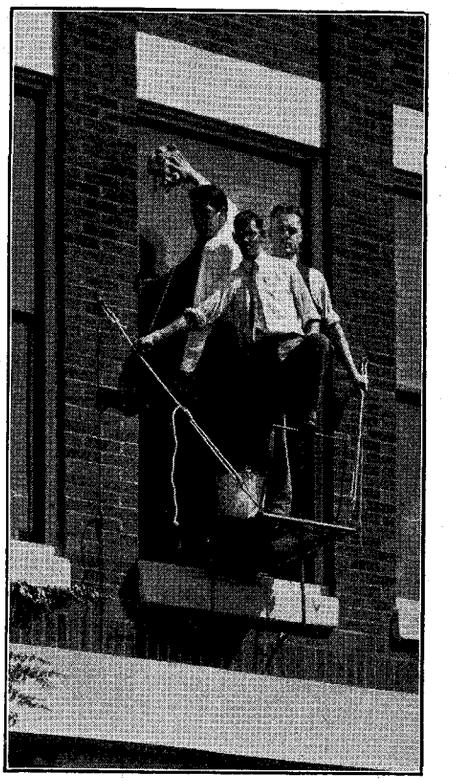
I'm on a strict diet. But so far I've been perfectly unsuccessful.—*Clemence Dane, English Novelist.*

ON MODERN CRIMINALS

My conclusion, after all my years on the bench and my close association with criminals, is that today criminals in New York are more numerous and dangerous than ever before. They are organized, they use business methods and they are astute, intelligent people.—*Justice Norman Dike, 70.*

ON THE EFFECTS OF HIGHER EDUCATION

Though education is customarily described as "preparation for life," the ways and works of high schools and colleges are so irrelevant to "life" that their prime achievement remains perforce the prolongation of infancy. They make adulthood harder to reach, not easier.—*Horace M. Kallen, in "College Prolongs Infancy."*



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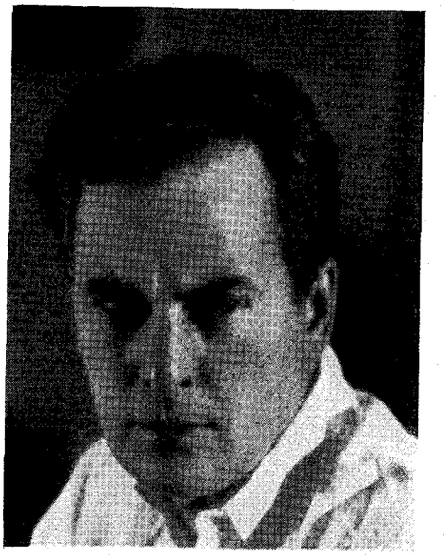

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OUTLOOK

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Editor-in-Chief

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Managing Editor

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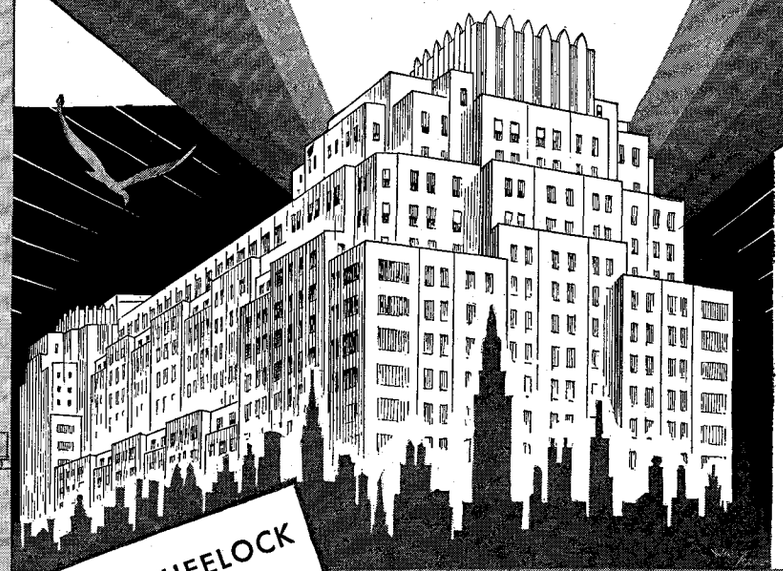

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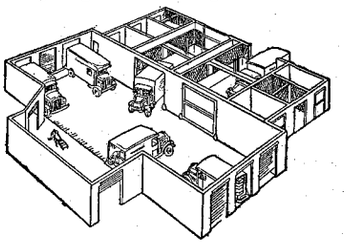

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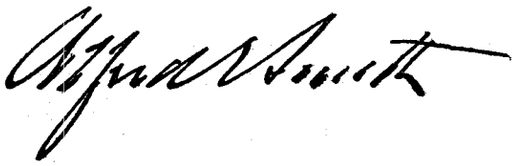
War Debts, Revenue and Taxation



WAR DEBTS

A SHORT TIME AGO Armistice Day was celebrated at the tombs of unknown soldiers in many lands. Tributes were paid to those who fell in the Great War, and many noble sentiments were expressed about international friendship and good will, hands across the sea, etc. Before the echoes of Armistice Day had died out, the Allies were engaged in one of those nasty, ugly quarrels about debts and reparations, which perhaps better than anything else illustrate what a stupid and futile thing war is, and how barren are the fruits of victory.

It is a good deal like the bitter, undignified family quarrels which break out on the day after a funeral, when the relatives forget all about their common interest in the deceased and begin quarreling over the distribution of the estate, and what is going to become of the family business—the kind of quarrels which usually end by creating life-long enmities and destroying the business.

The fine, noble, patriotic sentiments about which we heard so much in 1917 and 1918 are apparently forgotten. The great causes for which we went into the war are no longer mentioned. All that many of our foremost patriots can think of now is to collect from our former allies every cent we can lay our hands on, and with substantial interest. The feeling against us abroad becomes more bitter each day. We are hurting, not only our reputations for fairness and idealism, but our business standing and our markets as well.

The foreign governments which borrowed from us at the time of the war feel that we got off lightly, because we entered the war late and lost only a comparatively small number of men, while the European nations were bled white of men and materials. They call attention to the fact that most of the money which they borrowed was spent here for goods which were bought at high prices and at enormous profit to us. They complain bitterly that no interest should have been exacted. They call attention to the fact that everyone knew that they expected to pay debts at least in part out of reparations, and that last year's Hoover moratorium covered reparations as well as debts. They point to the fact that the commissions which fixed ability to pay proceeded on theories which have not worked out in practice, and made distinctions between nations which time has proved wholly indefensible.

We need not decide whether or not these contentions are wholly justified. They certainly are justified in part, and at any rate they explain the psychology of our former allies. What is much more to the point, they represent the feelings of millions of people in these countries, and no government can survive which flies in the face of public opinion. This has just been proved in France. What shall we gain if we upset the coalition government in England or the conservative government in Germany? Does anyone think we shall collect debts through radical governments which will have as their first plank complete repudiation of all public debts and perhaps even private debts to foreign nations?

I have suggested that we offer our European debtors a reasonable plan for the reduction of debts owed us by them, based upon a credit on the gross value of their American imports. I still believe that this is a sound plan. As this issue of NEW OUTLOOK goes to press we are approaching Christmas when there will be a great deal of talk about peace on earth and good will to men. At the moment, however, the press is giving its head-

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lines to the increasing evidences of international ill-will. Uncle Sam, who used to be pictured as Santa Claus, has become the Shylock of foreign cartoons. I wonder what would happen if between Christmas and New Year's Day the President, the President-elect and the leaders of Congress were to inform our Allies that we would approach the debt question in the same spirit of generosity and helpfulness with which we went into the Great War, and that we would agree to a moratorium for two years, in the course of which we would work out a solution of our international problems, including debts, the tariff and disarmament, in the friendly and neighborly spirit which these holidays invoke? It would be worth trying.

●

REVENUE AND TAXATION

THE ADMINISTRATION'S PLAN for meeting the staggering national deficit has been presented to Congress by President Hoover. The President's message shows that many of the taxes levied at the last session of Congress are yielding less than half of what they were expected to produce. Jewelry is yielding only one-sixth of the estimate; radios, phonographs and mechanical refrigerators less than one-half. In fact every tax, excepting that on safe deposit boxes and transfer of stocks, has fallen below expectations. The income tax returns show a steady falling off in yield, indicating that nothing has been accomplished by increasing income taxes, excepting to scare off capital and divert it into tax exempt securities. In soaking capital the government has actually soaked labor.

President Hoover has cut the Federal budget in a number of directions and has advocated a general manufacturers' sales tax. His recommendations are sound, excepting that for reasons unaccountable to sensible people he has failed to recommend the modification of the Volstead Act so as to permit the sale of beer, and to collect a reasonable tax on it. Not only would such a tax materially help to balance the Federal budget and enable the government to repeal nuisance taxes, but it would be of inestimable value to states which are just making their budgets for the next fiscal year because state taxes on beer would help to solve their deficit problem. Beer, like gasoline, is one of the few commodities which can stand double taxation at the source.

The slogan of "Beer by Christmas" does not appear to be making much progress at the date of this writing. The same forces which opposed repeal are opposed to legalizing beer. They use a different set of arguments, but the object is the same. Beer legislation is also complicated by demands of growers and importers of wine that their product be included in the bill, and by all sorts of arguments about the conditions under which beer shall be sold. The politicians who have promised beer by Christmas remind me of the Ford Peace Ship which was going to get the soldiers "out of the trenches by Christmas." One of the clergymen who directed the Peace Ship activities returned to this country after Christmas with the war still going on. When he landed in New York he was asked what had been accomplished. His reply was: "We made a deep impression in the neutral countries." The Christmas beer proponents have also made a deep impression in neutral sections, but the fighting will still be going on in Congress long after the holidays.

●

REPEAL—FIRST SKIRMISH

THE FAILURE OF THE lame duck House of Representatives to approve the repeal resolution was not unexpected. This proves what I have prophesied for some time, that is, that the fight for prohibition reform has only just begun. The action of the Republican dry Representatives, both lame ducks and re-elected Congressmen, leaves little room for comment. The action of the Democratic drys is absolutely inexcusable because they were bound individually by their party platform to support outright repeal.

The next House of Representatives will vote for the repeal amendment by the requisite majority. There is bound, however, to be a bitter fight in the Senate where Southern drys and modificationists are advocating just the kind of compromise amendment with which the Anti-Saloon League and its allies hope to bedevil the situation for an indefinite time.

All of which proves that platform promises are not self-executing, that great majorities do not necessarily produce quick reforms, and that without powerful and uncompromising leadership nothing of any consequence will be accomplished against bigotry and fanaticism. The fight for prohibition reform only began when the ballots were counted at the last general election.

●

UNCLE SAM—PAWNBROKER

NO BETTER ILLUSTRATION of usury can be found than is shown by comparing the rates which the Reconstruction Finance Corporation has attempted to impose in connection with loans for public works and the rates at which the Federal treasury is able to sell its securities. One year certificates have just been sold by the United States Treasury at ¾ of 1 per cent the lowest rate in the history of the country, and the issue was many times over-subscribed. At the same time four year bonds were sold at 2¾ per cent also an amazingly low rate. Meanwhile the Reconstruction Finance Corporation directors have been demanding six per cent and even more and have insisted on rates not less than five per cent in making public works loans for housing, self-liquidating projects and municipal improvements.

The purpose of financing these public improvements through the Federal government was to afford prompt work for hundreds of thousands of unemployed, to stimulate business and to afford a market at low rates of interest for state, municipal and semi-public securities. There is obviously plenty of money looking for investment, but the Reconstruction Finance Corporation is deliberately seeing to it that as little as possible is used to remedy unemployment. The sooner we have a complete revision of the Emergency Relief and Construction Act of 1932 and a complete reorganization of the Reconstruction Finance Corporation directors, preferably in the direction of a one-man public works administrator, the better it will be for the country. The present directors have completely negatived the purposes

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of the framers of the act. The answer is to amend the act so that its purposes are beyond dispute and to put its execution into the hands of a person, or persons, interested in getting results and not in pawnbroking, hair splitting and red tape.

●

NOTES ON TECHNOCRACY

NEW OUTLOOK is glad to present the story of technocracy. As I indicated in the first issue, this magazine is a forum for public discussion. The editors do not necessarily subscribe to everything that is printed outside of the editorial columns, and we invite discussion and debate. Pursuant to this policy and in the hope that it will invite further discussion, I am giving here a few comments of my own on technocracy based on reading the articles on this subject in the last two issues.

Every now and then someone discovers a new system which is bound to revolutionize all government and the entire economic system. When the initial excitement dies down, it is always found that changes in these fields are gradual and that we have mistaken new words for new principles.

The thesis of technocracy is that we have developed labor saving machines so fast that there is less and less work for men; that our output of all kinds of things is increasing beyond public consumption; and that we must have some kind of a new government by scientists and engineers who will plan a nice balance of machine production and human consumption so that everybody will have both necessities and luxuries for his family by working only three or four days a week. In order to accomplish this, the present price and profit system must be abolished and some new motive, or reward, for work must be set up. Exactly what the new motive and reward is to be does not yet appear, but it is to be something entirely different from what they are aiming at in Soviet Russia. Because of our wealth of natural resources and peculiar geographical location, the North American continent has the best possibilities on earth for the development of the new technological state. I think this is a fair summary of the objects of technocracy.

In order to arrive at the above summary it has been necessary to wade through a great mass of language which is almost unintelligible to anybody but a Doctor of Philosophy or an engineer.

Take for instance this quotation from one of the articles: "The method of arriving at social decisions in a dynamic continent-wide mechanism where the element of change intrudes itself into every national rate of flow of goods or services, must be such that the intolerance or precision must be obtained in quantitative units peculiar to the rate which is being measured. It follows that this civilization on the North American continent must be operated on a thermo-dynamically balanced load."

Or for example the following: "Russia, in its Parthian retreat from capitalism," Scott says, "has scored but a Pyrrhic victory. It mistook the name tag of a phase of the price system for its entirety. It left the tag and took its essential mechanics. A social approach based upon the substitution of a Hegelian dialectic for an Aristotelian dialectic may be an interesting intellectual pastime but of no functional importance, an example of the recrudence of philosophic futility of European tradition."

If the technologists really expect to convert the great mass of people to their views and to persuade them to abandon politicians for engineers, they will have to adopt a language which can be understood by the farmer in the corn belt, the steel worker, the miner and the small shopkeeper as well as the Ph.D. I should not care to guarantee what would happen to the dress shirt of a speaker who used the kind of language I have just quoted before some of the audiences I have known. It might even be difficult to insure his life. After all, it ought to be possible to clothe even the deepest thoughts in simple language.

Another observation which occurs to me is that the technologists are unnecessarily intolerant of existing systems and leaders. It seems to me that nothing much is gained for this new philosophy by denouncing all politicians and statesmen as demagogues and all business men as fools, or by the statement that in the next two years America will witness "a procession of the dumb, the halt and the blind, stumbling from one futile gesture to another—from the mild buck-passing program of 'share the work' to the anticipated probable legislation of rent and private debt moratoriums, to those twins of finality, the dole and complete inflation." Nor will they hold the attention of thinking people by making extravagant claims without adequate evidence. For example, I read in one of the articles that technocracy, "has made invalid every old social, political and economic postulate now in use. It has rendered political systems useless. It has sounded the death knell of old methods of exchange. It has shelved permanently the necessity for private enterprise and savings. It has made sterile the moral concepts of the virtue of labor. By its pervasive force in changing man's whole outlook upon life, it has opened the way for the greatest release of the so-called human values in history. It has provided the way for the elimination of individual greed and the enjoyment of leisure by everyone." This is a pretty big order which is hardly substantiated by what follows.

The engineers dispose of whole nations in summary fashion. For example, they report that England, with only one energy source left (coal) is going farther and farther down each year, and shortly will be just two islands off the coast of Europe which will be compelled to make a free gift to the colonies of a surplus population of 35,000,000.

It is true that they give some very interesting illustrations to show how fast machines are displacing human labor and how much more we can make with machines than human beings could make before, but even these illustrations raise a great many doubts. We are told, for instance, that a technologist can produce a razor blade with a tungsten carbide edge on a steel wafer base at twenty per cent above the cost of the blade today, and that the new blade will last a life-time or longer. Also that there is a plant called ramie, which can be made into suits that will wear seven times as well as wool and several hundred times as well as cotton. Ramie can be made into indestructible paper cheaper than wood pulp, has a luster similar to silk, is stronger

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wet than dry, takes dyes, and has all kinds of other possibilities. Similarly, we hear that an automobile has been designed with rustless steel and frictionless bearings which can go over 300,000 miles without repair and will cost only fifty per cent more than present automobiles. At the end of four years enough of these cars could be manufactured so that no more automobiles would be needed for the succeeding fifty years. We are told, too, the technologists can produce shoes which will wear two and a half years, and a road building machine operated by two men which can tear up an old road, lay foundations and lay pavement sixty feet wide at the rate of eight miles a day.

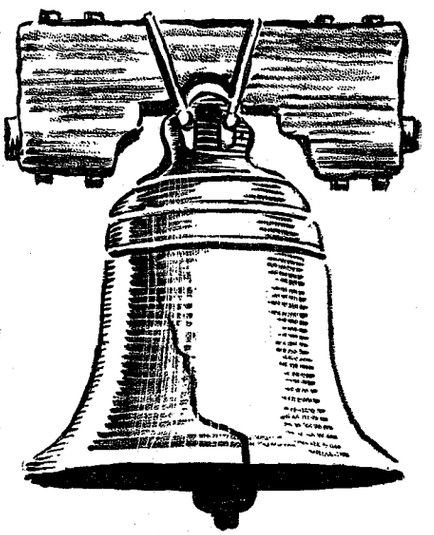
These illustrations are interesting, but doubts will occur to the reader. For example, what is holding up the manufacture of the life-long razor blade, the two-and-a-half-year shoe, the fifteen-year suit and the eight-mile-a-day paving machine? How long will it take to plant enough ramie to meet the needs of the market, and may it not develop some bug or pest which will eat it up as the boll weevil eats the cotton and the blister rust ruins our trees? What is going to become of fashions and styles and the normal desire of the average woman to buy new clothes and keep up with the times? Don't we all have a lot of old clothes camphored away which are still intact and uneaten by moths, which we don't wear excepting at masquerades because we are afraid that if we appeared in them in public we would be laughed off the streets? Is the technologist going to abolish little touches of human nature like that? And the automobile that will run over 300,000 miles—is it going to cost fifty per cent more than a Ford or fifty per cent more than a Rolls Royce? If it is the latter, then we need not worry about the early replacement of the present type of cheap cars.

There are plenty of shoes to be bought today at fifteen dollars a pair which will last for years. I have shoes that are ten years old myself. The trouble is that the average fellow doesn't have the initial fifteen dollars. Perhaps when the price system is abolished, everybody can afford fifteen dollar shoes, which perhaps at that time will be the equivalent of a bale of Vermont hay or a mess of Long Island flounders.

When I am told that at the present rate we will have twenty-five million unemployed in 1934 on account of increase in machine efficiency without taking into account the depression, I look for considerable proof of such figures but find none.

In spite of these doubts, I think it is a fine thing that a group of young men should be studying these problems in their laboratories and libraries, that they should be skeptical about present conditions, and that they should have the nerve, independence and the originality to tackle the great problem of reorganizing the entire government and the social and economic structure under which we live. Undoubtedly much good will come from a discussion of their plans. They present real problems for statesmen to solve. On the other hand, when it comes to discovering entirely new principles which are going to change human nature overnight I refuse to get excited, and choose rather to believe that the Bible was right when it said that there is no new thing under the sun.

As for substituting engineers for political leaders in running the country, I cannot refrain from mentioning the fact that we have finished an era of government by engineers at Washington, and that the people of the country did not seem to like it.



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Technocracy's Challenge

By Wayne W. Parrish

This is the third of a series of articles on the findings of the group of engineers known as Technocracy, which has laboratory headquarters at Columbia University.

TECHNOCRACY, THE RESEARCH ORGANIZATION with headquarters at Columbia University, has been offered one hundred more men to speed the charting of technological unemployment and growth of production of 3,000 leading agricultural and industrial products for the past 100 years. The new recruits have been promised by the Emergency Unemployment Relief Committee of New York, of which Harvey D. Gibson, president of the Manufacturers Trust Company, is chairman. The fulfillment of this plan will mean that 200 men will be housed in various buildings on the Columbia campus engaged in the first exhaustive "energy" survey of the continent of North America.

Although the chart work is far from being complete, the data available at the present time bear out beliefs long held that the advance of the machine and the subordination of human labor in production would lead inevitably to a crisis in this and other highly industrialized nations. Technocracy believes that this crisis is already with us in the United States. The war between man-hours and energy—men and machines—reached a definite turning point in 1918 when the peak of industrial *employment* occurred. The maximum of industrial *production* was not reached until 1929. Since the introduction of automatic mass production factories twelve years ago, the battle ranks of man-hours have retreated at such a rate that Technocracy is convinced that far-reaching changes in the social structure are necessary before our difficulties can be solved.

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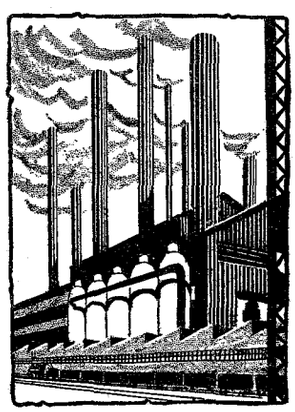
If Technocracy has accomplished nothing else, it has served to center attention on an entirely new school of economic thought which has arisen within the past ten or twenty years in three highly industrialized countries, namely, the United States, England and Germany. This new school is also being generated in Russia, although in a somewhat conditioned form because of the immaturity of the Soviet industrial system. It is a school which is building its doctrines on the historic and recently achieved physical fact that the problem of production of material wants is virtually solved; that the societies of people in highly industrialized nations have moved into a new order of life and a new order of problems; that within the short period of 150 years the whole character of the basic struggle for subsistence has changed.



This new school of thought, a marked departure from all other methods of thinking, is making itself heard despite its scattered and youthful influence. Among the chief spokesmen, in addition to Technocracy, are three Englishmen, Major C. H. Douglas, Frederick Soddy and Fred Henderson, the latter being perhaps the first "major prophet" of this new era of material abundance. In Germany the technical groups are hard at work. In America, there are numerous scattered voices being heard, particularly from engineering groups and from Dr. Harold F. Clark, economist of Teachers College, Columbia University. The conclusions these men reach are diverse, but their thinking is progressing in one general direction; to a new era in which man will be able to have more leisure and more material goods than ever before in history, provided he learns to operate his new-found machines scientifically and sets up the proper methods of distribution.

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The motivating forces in this new school are bound to be technicians and scientifically-trained economists. For the first time in history the scientific mind is projecting itself into the social sciences. It is too early to say in just what way the technicians will make themselves felt in the actual operation of the social structure, but the new order of high energy production demands their assistance. In Technocracy we find scientific procedure being used in analyzing the economic processes of production, distribution and consumption. Its work is not through. It has a long way to go. But its preliminary conclusions have indicated that the engineer, for the first time, is seriously engaged in attacking the problems of the technique of living. Technocracy has challenged the orthodox economist, the political scientist and other "ists" of the so-called social sciences. It is for this reason, and for this reason alone that NEW OUTLOOK has presumed to present a digest of the group's preliminary findings.

One of the most important effects which this new school of economics appears to be having is to abolish, or at least remove from major consideration, many of our old economic theories and concepts. Technocracy believes that the theory of economics still remains in the stage reached by physical theory in the time of the Greeks. It believes that the economists have failed to base their theory on an unbiased analysis of economic data, and that until this is done, economic theory will remain, as they believe it is at present, purely of historical interest. Technocracy is building its doctrines on the general assumption that all civilization is founded on physical energy. Since physical energy is quantitative, i.e., it can be scientifically measured, Technocracy

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is basing its conclusions on facts and quantitative data. The old school, in the face of events in the United States during the past decade, has been shown to have been built on preconceptions based on philosophical theories and established precedents. These preconceptions have resulted in an endless and needless complexity of the fundamental processes of production, distribution and consumption.

The need for a new school of economics is evident on examination of some of our simplest economic "laws" that have arisen from preconceptions. Take, for example, the law of supply and demand. Today, production and consumption, Technocracy estimates, are 180 degrees out of phase with each other. Where is the law of supply and demand in a nation of abundance and starvation? There are enormous supplies available, and obviously there is human demand, but no means of meeting the demand under the provisions of our price system.

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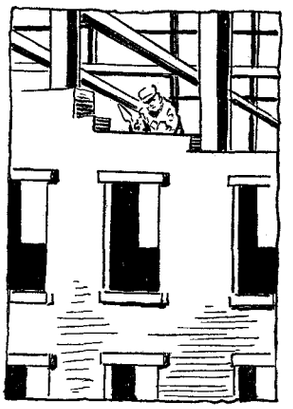
The underlying clash of Technocracy with the orthodox economist is this: that the economist has been attempting to measure the quantitative processes of production, distribution and consumption with a yardstick as flexible as a rubber band. He has been evaluating measurable processes with preconceptions dating from a pre-industrial era. The engineer believes that quantitative data must be measured by a quantitative yardstick. At present, he believes, we are attempting to measure height with gallons of water, and multiplying potatoes by automobiles. This qualitative yardstick we have been using is called value, and the existing measure of value is called price. Price is expressed in terms of money and money obtains its unit of value from a set quantity of another goods which in the case of this country is gold.

Now it is at this point that Technocracy has made a unique and novel contribution to world thought. The future use of this contribution is, naturally enough, a matter of speculation, but no judgment can be given until the full official report of Technocracy is published. The information herewith presented has been taken from the data of a preliminary report and from statements by the engineers, and merely indicates the direction in which Technocracy's study is progressing. What the engineering mind is strenuously attempting to evolve is a system of measurement that would pervade the entire processes of production, distribution and consumption, which is qualitative, and would eliminate all consideration of value as a standard of measurement. The engineers would substitute for the price system (which they believe to be obsolete) a system of scientific measurement that would affect the whole technique of living. As a matter of fact, the basis of this social measurement has already been worked out. The measure they use is a measurement of work, or energy, rather than money or some other evaluation.

Since our civilization (any civilization in fact) is built on physical energy, there is a flow of energy through all the processes of production, distribution and consumption, much as there is a flow of electricity through a modern power system. The rate of flow in each part of the process, Technocracy believes, can be determined. This energy is nothing more or less than work done. It consists of work done by man and by the machine.



Every time a pound of coal is burned to propel a steam turbine, work is done, energy is created. Every time a workman lays a row of bricks on a new building, work is done. It requires energy for the human being to lift an arm or walk across a room. So running through our whole social structure is this flow of energy, and the scientist is able to measure this flow in each part and to determine the amount of work done in each part.

In a technologically controlled state, the production, distribution and consumption processes of the nation would be operated on a "balanced load" basis for a set period of time, say for two or three years, during which the operation would be constant and production geared to the consumption need. Production would be for use, not for profit. By the application of the theory of energy determinants, the economic limits of the standard of living would be determined and fixed for the "balanced load" period, (i.e., the time required for a production cycle). Because we have entered a new era in which the production capacity is so great as to be able to meet almost all demands, the standard of living of everyone would be considerably raised. At the end of each "balanced load" period, improved methods of operation and perhaps economies in production would be instituted for the succeeding period.

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There being no monetary system of evaluation under such technique of operation, the "cost" of the goods produced would be determined from the amount of energy required to produce them and from the raw materials and resources available. Since production would be for use and not for profit, the quality of products would be limited only by technical knowledge (and with due regard for the amount of energy required to produce them). Automobiles would be produced on a basis of efficiency of the machine, not for annual monetary turnover. Shoes would be produced for wearing quality, not for individual manufacturing profit. The law of the conservation of energy would be applied to the social structure. The control of these processes of production, distribution and consumption, would be vested, of course, in technicians and others specifically trained for the task. Guess-work would be eliminated, scientific control instituted, and the abundance of material goods, now for the first time in history available in large quantities by the machine, would be equitably distributed to all.

Now as to the "pay" which Technocracy has been considering. Since the rate of this energy flow through the system is determinable and measurable, the "pay" of the workers in an engineered human society would be in terms of certificates of invariant energy units (ergs) rather than in the present elastic currency. These certificates would be exchangeable at the distribution centers of the system for whatever goods the person wanted.

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The goods themselves would be rated or "priced" in terms of the energy units required to make and distribute them. By the enforced uses of these certificates within the limits of the "balanced load" period and the provision that they could not be sold, the whole system of production to consumption could be fixed and controlled during that time. The amount of work required to provide this nation with a much higher standard of living would be much less than the amount of work we have had to do in the past under the price system, and with improved methods of production might be expected to become less with successive balanced load periods even while the standards of living were becoming higher. Four hours a day for four days a week is a rough estimate for illustrative purposes of the probable amount of work needed to give everyone a much higher standard of living.

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This is an extremely sketchy picture of a technically controlled state. It is in no wise complete and is not to be considered as an "official pronouncement" of Technocracy. But it is the type of society which it is considering and is based purely on basic facts of present known technology. There is no more theory involved in its proposal to place the processes of production, distribution and consumption on a routine scientific basis than there is in the designing of a skyscraper or a huge bridge. Technocracy's plan of energy certificates and measurement as a substitute for the price system is unique, as far as is known. The United States is just now entering the acute stage of this crisis between man-hours and energy. The strain of modern scientific production methods on a distribution system geared to the days of the covered wagon is growing constantly greater.

Any "recovery" in the terms used in this country is contingent upon widespread purchasing power and foreign markets. If there is no large class of wage earners, as there always has been in the past, where is the purchasing power to come from? Also, where are our foreign markets to come from in the midst of tariff wars, increasing industrialization of other countries, and rapidly disappearing undeveloped trade territory? A frequently uttered fallacy these days is that all we have to do is to increase production. Would that the problem were as simple as that! Theoretically, such an idea can be worked out on paper. Such an idea was even practicable fifty years ago. But now it cannot be done. It is impossible. To put all men to work requires a growth of production greater than the decrease in man-hours with a simultaneous growth of population. It is physically impossible for production to continue to grow indefinitely at its rate of growth in the past century. In the first place we haven't the energy resources or raw materials. In the second place, the growth of population is not continuing at its former rate of growth and may reach a maximum in a century. Also, a simple glance at man-hour figures in any industry will show that the production capacity is increasing while the number of man-hours per unit of product is decreasing steadily. The total number of employees and the total number of plants in virtually every industry are also decreasing constantly. In some cases these decreases have been startling. The day when financial and business commentators still attempt to maintain that the use of machines means more employment is going. They are usually the same ones who attempted to deny the existence of the depression during its first year.

What is difficult for most people to understand is that America is in an unique and unprecedented situation. Some of our supposedly ablest economists, among them some of our left-wing prophets, are still talking about returning to "normal employment." They are still thinking in terms of Marx, of the proper reward for labor on a man-hour basis. It is hard for them to realize that technology is eliminating man-hours as a major factor in production, that the Industrial Revolution is still going on, and will continue to go on until production is virtually automatic. With millions upon millions of unemployed—many of them permanently as far as the factory is concerned—we are still hearing of such proposals as the one issued the other day by one of our passing prophets, Roger W. Babson, who would put the unemployed to work *selling* goods in times of depressions!

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Under our present system, the millions of workers who have been in large part contributors to the nation's production processes, will have to be subsidized by the property interests, the interests that control the machines, before they can purchase the goods which they no longer have to make. The price system, in order to move goods and to supply the needed purchasing power to these former workers, will have to go further and further in the creation of wealth through debt.

The inherent advantage of the price system, to those who are in control of price, is that it can be manipulated. Because of this, the ultimate death of the system can be postponed into the future. The property interests, the interests that control not only the machine but the convenient device of credit as well, will perhaps be able to extend the life of the price system much beyond its deserved death. But as the system stands today, it is suffering considerable punishment and will have to revise radically its credit tactics to last out the battle, optimistic statements from the business interests notwithstanding.

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The advantage to the property interests is that debt is credit, and credit can be wiped off the slate whenever convenient, as long as the property interests retain control. Bankruptcies, for example, are conveniently wiping millions and billions off the debt slate today. Or debt can be passed on to the government (the people) as in the present case of the Reconstruction Finance Corporation. In other words, by juggling figures and credit, by means of bankruptcies and more and more bond issues, the price system will be afforded longer life. But this is only retarding the entrance of a new order of social control, just recently made possible and necessary by the higher technology. The new order would be the scientific control of the machine by the technician who built

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it, so that the fruits of the machine would go equitably to everyone. This would mean a higher standard of living, the saving of our natural resources by more efficient regulation, and added leisure, which is for the first time possible. It would be partial leisure for all instead of enforced poverty-stricken idleness for many.

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Permanent unemployment? Look at what technology has done to the American railroads. In 1920 there were 2,160,000 employees on the roads. Today, if our most efficient locomotives and best practices were used throughout the country, Technocracy tells us, our railroads could be run with less than 600,000 employees. Actually, the number of employees today is 1,010,440. In August the number dropped below a million. These figures do not represent a drop conditional on the depression. If "recovery" were effected, the great majority of these displaced workers would not go back to work. For we are carrying more freight with fewer men. In 1929 we carried 7% more freight than in 1920, but with almost 800,000 less employees. New "K1" locomotives recently installed on one leading railroad make longer runs without stopping, with smaller crew, shorter running time, and are able to haul much more freight. The fireman, the water tower and coal stops, all romantic parts of the traditional American scene, are being discarded by technology.

In these days, when one machine can make 500,000 needles a day, when an electric lamp machine displaces 9,000 men and when a single electric power plant can produce twice as much energy as the entire Egyptian population at the height of its ancient civilization, can there be any question of our progression into a new order of magnitude affecting every walk of life and the very technique of living?

In the ten years between 1919 and 1929, the Technocracy charts show, our production of tin cans grew from 9,400,000,000 to the imposing figure of 16,950,000,000. The total man-hours had dropped in that decade from 103,000 to 75,000, and the man-hours per tin can dropped from a perceptible .01095 to the near vanishing point, .00447!

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During this same decade, while the total meat production was increasing one billion pounds, the man hours per thousand pounds of meat dropped from 25.56 to 17.86. Meanwhile the total employees decreased in number from 160,996 to 122,505. These trends are found in every line, concurrent with a decrease in the total number of plants.

In former days, new industries cropped up to absorb the slack in unemployed from other lines. But now, with modern automatic processes, a new industry scarcely gets started before the war between man-hours and energy amounts to a mere skirmish. The machine beats the human being out steadily and surely, while production increases, employment declines. The radio industry in its infancy in 1922, reached its maximum employment in 1925, though the maximum production was not reached until 1929, Technocracy says. The automobile industry, one of our youngest, reached its maximum productive capacity of 8,000,000 cars per year in 1925-26. But in 1925 it was already operating with 47,000 less men than in 1924, and in 1926, with 69,000 fewer than in 1925. In 1904 it required one man 1,291 hours to build one automobile. In 1919 it required 303 man-hours; in 1929, 92 man-hours, and in 1932, the figure is between 73 and 80 man-hours per vehicle.

The crux of Technocracy's evidence that the present social structure is being strained to the limit and cannot be put in good shape without fundamental revisions, lies in the growth rate relations of production, energy, population and debt, and the declining rate of man-hours in industry. Ordinary common sense is all that is needed to see that a crisis is inevitable. The average production of all goods has increased since 1840 as the 3rd power (cube) of the time, Technocracy says. Mechanical power, energy, has increased during the same period as the 8th power of time; total debt has increased as the 4th power of time, and population has increased only approximately as the square of time.

As for production, it is physically impossible for these growth rates to continue. The production of some commodities has increased at rates greater than the 3rd power of time. Steel production, for example, has increased as the 6th power of time. As a purely mathematical calculation for purposes of illustration, if the maximum rate of growth in coal production were to maintain for 50 years, it would require the whole earth to be a solid ball of coal. Now the significant relation to the price system as it operates today, is that the system can continue to operate profitably only so long as producion constantly increases. But look at the increase in total debt (Technocracy's estimate is $218,000,000,000 at present). Debt, which must be supported by the sale of produced goods, increases faster than the production of these goods. How long can this continue? Meanwhile, with the rapid increase in mechanical power, the man-hours per unit of production have decreased steadily and population is not increasing at its old rate. The system is in a vicious circle with the strain increasing in intensity.

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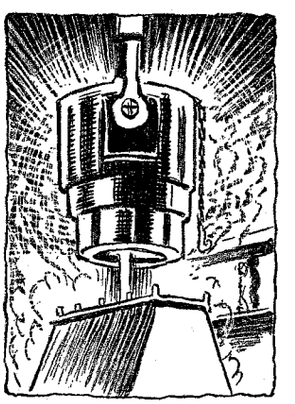
Even today in our trade papers and business and financial journals we find individuals who are still trying to kid themselves into believing that machines mean ever-increasing employment. The editor of "Iron Age" in the December issue of that magazine attempted to refute Technocracy's claim that the machine was making human labor a secondary factor in production. In so doing he fell sadly into his own trap. "Forty years ago," he wrote, "when the electric motor was being introduced to a skeptical industry, when the word 'mass production' had not yet been uttered, there were 69 workers per thousand employed in all of our manufacturing industries. In 1929, after forty years of intensive mechanization, there were 72½ workers per thousand of population in these same manufacturing industries." But the editor does not mention that production itself has tripled during the past forty years with that very



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Towards the 21st Century

By Angers Woolley

Few periods in history contain such changes, the beginnings of new trends, as the first thirty years of the 20th Century. Committee investigations of trends have become an American habit. Angers Woolley reports on the latest of the Hoover investigations.

IN SEPTEMBER, 1929 (shortly before U. S. Steel was *pegged* at 195), President Hoover called a group of scientists and economists to Washington in order to formulate plans for a nation-wide survey of "recent social trends." A committee was established, under the chairmanship of Wesley C. Mitchell; funds were furnished by the Rockefeller Foundation; the manifold machinery and personnel required for the work of investigation and collation were recruited; and the collaborators quietly attacked their task on dozens of fronts.

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Now, at the beginning of this new year, there is published *Recent Social Trends in the United States: Report of the President's Research Committee on Social Trends* —weighty monument of a widespread investigation which, by reason of its official governmental sanction, is unique even in this day of countless—and endless—inquiries and reports. The fruit of the committee's three-year travail has been condensed into two large, close-packed volumes totaling over sixteen hundred pages (no less than twelve of which are devoted to a listing, admittedly incomplete, of organizations and individuals who assisted in the unearthing and reporting of the facts set down).

We have taken a mild sort of self-satisfaction in the generally and uncritically accepted conviction that never before have, say, thirty years seen such rapid changes in a nation's mode of living and thinking. That the American is the world's greatest optimist has become a bromide; the complacent ingestion of this sedative, together with that proportion of truth which may be back of it, has led our citizenry to assume blindly that whatever changes were taking place—whatever *trends* were taking form—were for the good. It is only recently, after three years of floundering in an economic morass, that we, as a group, have begun to reflect faint velleities of critical inquiry into what our goal will prove to be. And for this reason the present report assumes additional importance.

In view of the great sweep and volume of "Recent Social Trends," any attempt to cover it fully within the limits of a magazine article would necessarily be unsatisfactorily restricted; but a selection of the Committee's findings which have particular bearing upon our national ideology and our social development should provide, at least, interesting food for speculation.

The raw material, so to speak, of any social order is its population; a sociological study of a nation must examine and analyze its inhabitants' numbers, their rate of increase or decrease and the tendencies evinced by them towards concentration or distribution.

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During the first three decades of the 20th century, the nation's population gained by 47 millions, an increase two-thirds as great as during her entire previous history. During the ten years 1920-1930 the growth was of more than 17 millions—exceeding by more than a million the increase in any preceding decade. Because of these tremendous gains, "manufacturers who try to estimate future markets have been expecting a population of 140 millions by 1940, but the calculations of our contributors, based on information not presented in the decennial censuses, show that the declining rate of increase has been particularly striking since 1923, and that hardly more than 132 or 133 millions are to be expected by 1940. . . . The decennial rate of increase . . . has been declining since about 1860 and the annual increase in numbers has fallen steadily and rapidly since 1923. The growth of population in the future is certain to be much slower than in the past. Although death rates have fallen somewhat, particularly at younger ages, these savings have been much more than offset by decreases in birth rates. . . . The continuation of these trends together with the restriction of immigration will result in a net addition to the population from 1930 to 1950 of about the same size as that from 1920 to 1930. After 1950 growth will be slower. It is even possible that the population will begin to decline after reaching approximately 146 millions in 1970."

Some of the findings dealing with particular classifications of the population are worthy of study. Thus it is found that there is a marked trend towards an older population. "This arises in part from the restriction of immigration and in part from the fact that the total number of births has declined in recent years while the number of persons in the older groups is rising rapidly due to the large increases in the number of births in the 19th century. As a consequence there will be almost a 50 per cent increase in the proportion of persons over 65 during the next twenty years and about a 25 per cent increase in the proportion [of those from] 45-64. . . . Such age changes are likely to produce significant consequences in our schools, in our business, in our politics and in our social structure."

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The tendency toward most pronounced growth in urban and metropolitan communities has long been recognized; further, the total farm population has actually declined by more than a million in the last ten years. And in the non-farming rural areas gains have been slight compared with those in urban centers. That there has been some temporary extent of return to the farm under the existing depression is generally admitted, but figures are not yet available on this point.

Probably the two greatest factors determining the slackening of population increase are the comparatively recent curtailment of immigration and the ever-widening acceptance and practice of birth control.

"An increasing number of persons believe that the time has come to consider carefully a policy for the future. They believe that population growth should be consciously controlled in the interests of all the people. This will mean an effort to adjust numbers to the means available for their support so that a high standard of living can be maintained. It will also involve more careful selection of immigrants, the development of means of preventing the propagation of 'the unfit' and in time, perhaps, methods for encouraging the propagation of 'the fit' to the end that the quality of the stock may be improved." Just what agencies shall be empowered to determine these policies and what means of enforcing their decisions will be at their disposal are points which the Committee fails to make clear.

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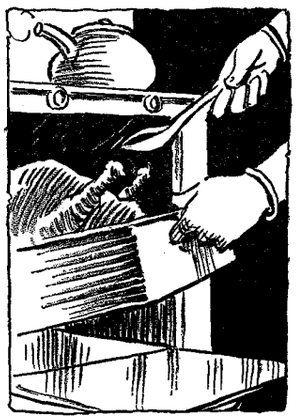
Whether the family—the oldest social institution in the history of man—will endure is a question which has been debated with increasing enthusiasm in the course of the last few years. Although "Recent Social Trends" makes no attempt to answer it definitively, or, indeed, even tentatively, the report presents interesting material on the matter.

"Two outstanding conclusions are indicated by the data on changes in family life. One is the decline of the institutional functions of the family, as for example its economic functions. Thus the family now produces less food and clothing than it did formerly. The teaching functions of the family have also been largely shifted to another institution, the school. Industry and the state have both grown at the family's expense. The significance of this diminution in the activities of the family as a group is far reaching.

"The other outstanding conclusion is the resulting predominant importance of the personality functions of the family—that is, those which provide for the mutual adjustments among husbands, wives, parents and children and for the adaptation of each member of the family to the outside world. The family has always been responsible to a large degree for the formation of character. It has furnished social contacts and group life. With the decline of its institutional functions these personality functions have come to be its most important contribution to society. The chief concern over the family nowadays is not how strong it may be as an economic organization but how well it performs services for the personalities of its members."

It must be noted that there are two forces operating against the transference from the American home of the type of economic function exemplified by such activities as canning, baking, cooking and laundering. The first is the increasing availability of electricity and gas in the home, together with the growing number of time- and labor-saving inventions perfected to utilize these forms of power; the second is the tendency to return more to dependency upon home operations during the depression. Which set of forces will ultimately prove the stronger it is at present impossible to say.



The tendency to loss by the family of the so-called "protective functions" is clearer. A few statistics selected from the report will best illustrate this. In the last thirty years, "the budgets for public health and sanitation in cities of 30,000 and over have increased about twice as fast as urban families." Between 1919 and 1929, hospital beds increased 115 per cent. Only four manufacturing industries have a greater capitalization than the nation's hospitals: iron and steel, textile, chemicals and food. Much progress has been made in state old-age insurance legislation, 17 states having passed laws on the subject in the last decade. Similar advances are seen in the assumption, approaching completeness except in the more remote rural areas, of the care of the insane and feeble-minded by public authority; in the rapid growth, disproportionate to that of the population, of the ranks of such public employees as policemen, firemen, guards, watchmen, etc.

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The general impression that marriage has been on the decline is disproved by this inquiry. "The percentage of the population of the United States that is married has been increasing in recent years. In 1890 the percentage of the population 15 years of age and over that was married was 55.3 and at successive ten year intervals the percentages were respectively 55.7, 57.3, 59.9, reaching 60.5 in 1930. . . . The rate of increase in the number of marriages was less in 1930 and in 1931 as is usually the case during a business depression."

Although a pronounced increase in percentage of married persons among younger people is found compared with that of thirty or forty years ago, "the evidence on early marriage for the decade 1920-1930 suggests that the movement toward earlier marriage which has been going on at least since 1890 may have stopped and a reverse trend begun."

As is to be expected, a marked divergence has been found in marriage trends between the country and the city, and "it has been estimated that the urban community (of 2,500 inhabitants and over) acts as a deterrent to marriage to the extent of about 10 per cent. There are thus persons in the cities who would be married if they lived in rural areas. In the very large cities the discouragement is probably greater." While the size of the *household,* including, besides the immediate family, servants, relations and boarders, has declined considerably (13 per cent in thirty years), the size of the *family,* including only husbands, wives and children, has suffered a

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drop of only 2.7 per cent in the same period; it has, moreover, remained virtually unchanged during the last decade. In addition, the size of the family has been found to be in inverse proportion to the population of the community.

As to the "personality functions," the report is unable to furnish any figures, naturally enough; the writers have succeeded in achieving an almost Olympian detachment on this subject. "The personality functions affecting the relationship of husbands and wives would appear to be inherent in the family and non-transferable. . . .

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"In 1900 there were 20 divorces for 10,000 married persons; in 1930 there were 36. . . . In only 5 years, one being 1930, of the 43 years from 1887 to 1930 has the number of divorces been less than in a preceding year and these were years of acute depression. Divorces tend to decline in hard times and increase in good times. . . . Divorces have been increasing since 1900 in the various countries of the world. The only exception is Japan, where new legislation is making divorce more difficult. . . . The United States has the highest divorce rate of the countries for which statistics are available, with the possible exception of the U. S. S. R. . . . Divorce is still increasing. Although the rate of this increase in the past decade has slowed up, a study of the long time trends gives no confidence that the rate of divorce itself will decrease in the near future, though it must do so in the long run. Increased divorce is due to the weakening of the functions which served to hold the family together, and no doubt of public opinion, which would appear to be correlated with the exercise of these functions."

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Like the family, religion has been the field of renewed verbal and literary warfare in recent years; meanwhile the various religious bodies have been marking up steady gains in membership as well as in wealth. The tremendous advance of materialistic science, both technical and theoretical; the increase of transportation facilities; the development and extension of organized commercial amusement; the dwindling importance of the family group: all affect, and are affected by, the shifting position of the church in society.

"Until very recently, membership has increased throughout the country at approximately the same rate as the population; but there have been striking differences in this respect from denomination to denomination. Some non-traditional sects like the Mormons and the Christian Scientists have very greatly increased their membership since 1906, while Roman Catholic membership has grown less rapidly than that of the Protestant bodies as a whole.

"In wealth, however, Catholics, Protestants and Jews alike have made great gains. In recent decades the value of church property has actually grown at a more rapid rate than the nation's total income."

Figures, even approximately complete, are not available after 1926, but on the basis of partial statistics for that year, "the total value of church property, including not merely church edifices but all other buildings and all lands and endowments owned by churches, has been placed at approximately $7,000,000,000. The magnitude of this figure, which is believed to be a conservative estimate, can best be appreciated when it is pointed out that for the same year the United States Bureau of Education reported the total value of all public property used for public school purposes at $4,677,000,000. Church property in the United States is therefore worth a third more than public school property."

The diversity and multiplicity of established denominations and sects in this country have long been a source of wonder to students of religion. We are told that "there are 212 separate organizations, a dozen more than there were ten years ago. . . . Most of the denominations functioning in America are small. Fifty have fewer than 1,000 adult members each [an adult member is defined as 13 years of age or over], and forty-eight have from 1,000 to 5,000. Indeed, more than half of all the church bodies in the United States have fewer than 7,000 adult members each. . . . The largest single denomination is the Roman Catholic Church with 13,300,000 [adult] members. . . . Among Protestant bodies, the Methodist Episcopal Church is the largest with 3,700,000 adult members . . . while the Southern Baptist Convention comes second with 3,300,000." There are six other Protestant denominations with more than a million adult members each.

It is impossible to give figures for Jewish membership on the same basis as for other denominations, as the definition of a member here is much more elastic. The figure reported, which embraces children and infants as well as adults, is roughly four million.

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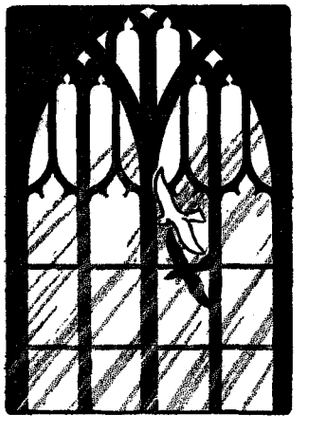
Another approach to the question of the status of religion is study of the number of houses of worship. "Since 1906 the number of churches in this country has not increased in proportion to the growth of the population. However . . . in cities of 25,000 or more inhabitants there is a church for every 1,000 persons over fourteen years of age, while in the remaining town and country districts the number is one to every 240 persons.

"The 1926 total of 232,000 Christian churches and Jewish synagogues compares with slightly more than 210,000 in 1906, representing a net increase of less than 11 per cent in twenty years. Most of this increase occurred during the earlier years; and at present the number of churches is growing very slowly." The survey goes on to suggest that this does not necessarily reflect a decline so much as a re-disposition and consolidation of congregations.



The church and religious belief in general are obviously in a period of transition. It will be many years before it is possible to form a clear picture of their future course. How-

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ever, the Committee submits that "there is reason to think that the structure of religious organizations will persist, however their functions change. There are 44 million church members; the youth organizations reach 6 million young people, and church property is valued at 7 billion dollars. How their functions may change is a grave issue. One function is that of ministering to the needs of people who suffer in a world of stress and strain. Another is that of serving social and community life. Still another function is that of an ethical guide and force not only for individual but also for social conduct. The church is legally separated from the state; it is not formally in politics, but it has taken interest in such problems as those of the family, marriage and di vorce, the prohibition of the sale of intoxicating drinks, capital and labor relationships, crime, and many local community questions."

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Except in periods of violent upheavals, such as revolutions or *coups d'état,* the machinery and practices of government show a marked tendency to lag behind contemporaneous social and economic advances. There is continual struggle between the forces of constructive reform and the entrenched cohorts of tradition and inertia; although these intransigents are ultimately forced to yield ground, the victory is likely to be a belated one and, in the mean time, many grotesque archaisms persist. An outstanding exemplification of this in the United States is the continuance until now of the "lame duck congress"; it is true that in all probability the current one will be the last, but generations have passed since the difficulties and delays of transportation and communication made it necessary. There are countless other out-dated processes in federal, state, county and municipal governments, although many of the last have shown encouraging development in recent years.

The three most important factors which have rendered the structure of our government inadequate for the efficient performance of its responsibilities and duties are the great shift in concentration of population, the changes in the organization and power of "big business" and the increased facility of transportation. Also, the assumption by the government of a wide range of new functions, notably the control of various powerful industrial groups such as the railroads and utility corporations, services to special enterprises performed by the Department of Commerce and similar agencies, and leadership in the direction of public welfare, has had an important effect upon the workings of governmental machinery.

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"On the whole, the outstanding fact in the recent development of American government is the rapid extension of governmental activities and costs on the one hand, and on the other the relatively slight change in governmental units, organization, methods and personnel. New functions are welcomed, but corresponding changes in the direction of unity, coördination, capacity and competence of political power are either resisted or tardily and reluctantly accepted."

Among the specific trends believed most likely to be projected in the future, the first listed is "The expansion of the activities and costs of government, particularly the service, welfare, educational, highway, military and regulatory functions." Others are:

"The continuing centralization of power both in the national government at the expense of the states and in the states at the expense of the localities, especially the rural communities.

"The further consolidation and unification of the structure of government in states and cities.

"The development of the emerging power of the metropolitan areas, and the rise of 'efficiency' in urban governments, especially as seen in the city manager plan. . . .

"The rapid rise of pressure groups and propaganda agencies influencing legislation and governmental action.

"The detailed regulation of the procedure, especially the nominations, of political parties and of the use of money in the electoral process."

And (a note of cheer), "Adherence to the doctrines of liberty, equality and democracy in the face of conflicting tendencies in the economic world."

Against these trends are set certain opposing forces, including the axiomatic "confusion and disruption of governmental units on all levels, as a result of the new methods of business, new types of transportation and new distribution of wealth and population . . ."; the continuance of the "spoils system"; the general "irresponsiveness" and reactionary attitude of the bar and the bench; the "widening gap between numbers and wealth, between power and responsibility in the economic and political worlds"; and the sharp, inconsistent vacillation between policies of internationalism and of stubborn isolation.

Finally, "Currency and banking, shipping, international loans, taxation, tariffs, unemployment, are only a part of the great mass of relations which tend to come within the circle of governmental influence and control; and the inexorable trend continues. No theory or practice, individualism, collectivism, fascism, has yet shown a clear way to deal effectively with this new situation, and the future will call for wise but bold experimentation, looking forward rather than back. Nor will the problem be solved by one nation alone."

It would be premature, as well as indiscreet, to attempt an evaluation of this survey. That it contains much interesting and valuable material is unquestionable, but the extent of its effect upon the solution of the problems it exposes is not easy to foresee. As the committee says: "More widely in the future than in the immediate past we may expect the growth of thinking about the meaning of the great masses of social data which we have become so expert and generous in assembling. Is it possible that there is radical inconsistency between the industrious and precise collection of material and the effort to interpret and utilize what has been found out? . . . It might be said, indeed, that while the most recent phase of American development in the social field has been the recognition of the necessity of fact finding agencies and equipment, and their actual establishment, the next phase of advance may find more emphasis upon interpretation and synthesis than the last." In other words, maybe we'll do something about it.

At any rate, one trend is reasonably clear: that is towards continued activity in the study of trends!

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The Lost Theatre

By Arthur Hopkins

The reasons for the plight of the American theatre today are discussed by Arthur Hopkins, who is well known both as a producer and as a writer on the drama.

THE LEGITIMATE THEATRE is making its exit from American life. For well over a century it trod the boards of cities and hamlets. It orated and sang amid plaudits and footlight offerings. Generations of worshipers made their devoted progress from gallery to balcony to orchestra floor. They gathered in great throngs to pay homage to the theatre's vestals. They drew the carriages of the theatre's darlings. Long hours they stood in line for the blessed privilege of being admitted to the shining presence.

The theatre was a palace of dreams. It was the throne of unreality. It lifted people far out of themselves, transported them in ecstatic flight, swept them through emotional grandeur and gently brought them to earth again with dazed eyes and swelling hearts. It was complete release. The actors were the liberators, generous guides to exalted places. For these ethereal attendants no homage was great enough. They found permanent shrine in grateful hearts. Long after they were dead people's tenderest thoughts visited these illumined shrines and in their swimming eyes memory glistened.

What happened in a brief forty years to lead the theatre from its glorious path?

The first great deflection is traceable to Ibsen, the father of the realistic drama. He lifted the theatre from the unconscious to the conscious mind. He gave birth to the intellectual drama and the great majority of playwrights of the past thirty years have followed his beckoning.

The theatre was the place of dreams. The unconscious mind is the mind of dreams. The unconscious mind is the mind common to all. It is the mind of mass reaction. It is the mind that binds people together. The conscious mind is the mind that reduces the mass to individuals. It is the controversial, disagreeing, contentious mind.

Ibsen was a poet. In much of his realism there was symbolism that delved deep into the unconscious.

For the most part his followers have not been poets. They had nothing to offer but realism. They were poorly equipped photographers. Out of their dark rooms came many monstrosities. With the exception of Strindberg I doubt if any of them will live; certainly no English or American playwright of the last thirty years in spite of the fact that a number of gifted dramatists have been writing for the theatre during this period.

Granted that able dramatists have worked valiantly toward permanent accomplishment in realism and have to a great extent failed, the natural conclusion is that their medium was the barrier. To a great extent they were trying the impossible. This, I firmly believe. The further realism is pressed the more clearly this becomes obvious. We have granted realism such license as the glamorous theatre never knew or wanted. We have been broad-minded to our own discomfort. All conceivable ugly cauldrons have been permitted to bubble and boil and exude their stenches while we caressed our bumps of liberality and fixed our faces in silly masks of tolerance.

It would seem that realism has had more than a reasonable opportunity to justify itself. Too many able people have given their lives to climbing its glass walls. I am in favor of a conclave of dramatists who pronounce its banishment. Let them tear up their note books and plot charts and go into deep communion with their own souls. Let them unearth the treasures of their own unconscious and bring us beauty and dreams again.

Let us stop jeering at people who complain of the ugliness of the theatre on the ground that there is enough ugliness in every day life. They are right. They are wiser than we have been.

When the theatre touches every day life let it bring some new illumination, some new understanding.

Let it deal freely with the mass problems of every day life, with the machine, with hunger, with stupidity in high places, but in terms that bring light, in terms that bind us closer together.

Open all doors to the poets. The theatre hungers for them. They are frightened off by our mediocrity, our ugliness, our realism.

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Beauty is the one over-production that America need never fear. The theatre is its natural home. When Beauty returns to the theatre its vitality will cease to ebb.

Realistic writing bears in its wake realistic acting and direction and here at once the great force of the glamorous theatre is emasculated. Here is confirmation of what the auditor knows, not exploration of his unknown self. Here come an entirely new set of appraising adjectives, authentic, accurate, spirited, brisk. But these are not the adjectives of the glamorous theatre. These are vaudeville adjectives which smack of salesmanship.

"Selling it" to an audience is now a common expression in the theatre. There are actors who pride themselves on their ability to "sell" a part to an audience.

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There are directors who devote all of their attention to "selling" every moment of a play to an audience. Their performances reek of the huckster and there are dramatic critics who term this direction taut, dynamic, fast moving, spirited. The same can be said of an energetic candy butcher.

In our urge for progress, which so far as the theatre is concerned, is fast leading to complete submersion, we have turned haughty backs on the old masters under whose guidance the theatre did not languish. In our dilemma we might with some profit look back upon what we have lost and for present purpose we need look no farther than the theatre of Augustin Daly. Here, we learn, was no trace of the huckster. Here was a theatre reared high in its own majesty, whose chief aim was to meet its own severe demands; whose stage was a closed circle, and woe to the actor who broke through that circle in an effort to set up personal contact with the audience. Salesmanship was unknown at Daly's, with the result that for years there was very little left to sell.

The days of the theatre's greatest influence and prosperity were its unbusinesslike days. According to present day standards what a wretched business man was Booth who rigidly adhered to limited engagements in New York and left audiences that would have filled his theatre for months to come to tour the one night stands of the country. A capacity house in New York meant no more to Booth than a capacity house in Amarillo, Texas. Foolish man. He preferred the rigors of touring to the comforts of New York, with the result that his following in the country was so great that New York could have silently slipped into the sea without affecting his business by one standee.

And that absurd Irving who would play New York only three weeks so that he might the sooner begin his tour.

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Of course, Big Business came into the theatre and soon corrected all such nonsense. The long run was born and plays were run until attendance dwindled to a handful or what is known today as a good house.

Runs were so long that original companies could not be sent on tour. So Big Business turned out carbon copies with dwindling legibility. These toured the land, and for a time Big Business looked at the multiple profits and patted its contented belly. Murmurings from the road about the inferiority of these spawned companies was laughed off by Big Business. And one fine morning the road disappeared and no one has seen trace of it since.

After the one-night stands larger cities began to disappear from the theatrical map. In great sections of the country there is a new generation that has never seen a play. Those of us whose early days were spent in the galleries looking upon the great of the world must feel a pity for this generation, condemned exclusively to the output of Hollywood and the radio. There are dreams that they will never know, memories that will never warm their cooling vitals.

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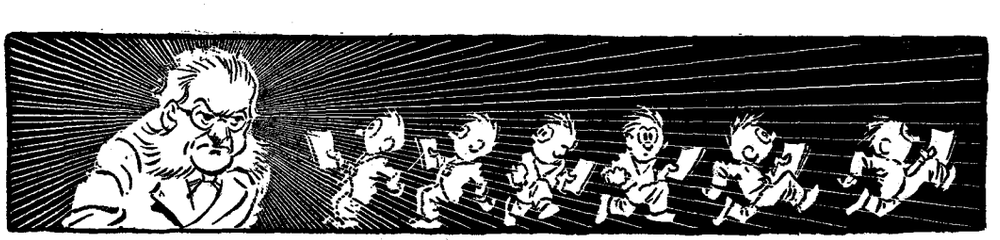
New York is the last stronghold of the theatre, New York with most of its theatres dark, New York that has lost what was once an enthusiastic and discriminating audience. For the most part theatre-going in New York has become quite casual and to many people entirely unnecessary. About the only interest expressed in plays today is as to their financial success. The question is no longer "Is it a good play?" Even little babies lisp "Is it a hit?" There is one charming little girl in our neighborhood who has stopped speaking to me because I haven't had a hit in some time. Her attitude is discernible in some of my older friends, but they lack her courage.

We all know that a better day is coming and we all know that the citizens of the land are fast becoming conscious of the fact that they have governments, federal, state and local, that wil not run by themselves, that is, they will not run into anything but bankruptcy.

When governments of cities, large and small, become the affair of the people the cultural life of the cities will find new expression. An obvious step in any cultural development is the civic theatre. Cities will not look to the meagre output of New York for theatrical sustenance. Strong local companies will develop. A recognized play may have as many as a hundred premieres instead of one, and its fate will not depend upon the verdict of any one city.

These will be theatres worth writing for. These will be theatres that will not fear experiment. Their fate will be not solely in the box office. There will be less talk about hits and more about ideas and truth and beauty.

Their fate will be largely in the hands of the dramatists and may all of us who believe in the need of the theatre pray that the dramatists will forget the forbidding face of Ibsen and look into themselves for the beauty that will save a mechanized land from a citizenry of robots. In the new day man's leisure will become a pressing problem. The theatre can do much toward its solution.



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Fiscal Crisis of the World's Largest City

By Lindsay Rogers

The indebtedness of New York City is almost equal to the total outstanding obligations of the 48 states of the Union. Professor Lindsay Rogers, of Columbia University, discusses the problem of New York City in the hands of the bankers.

FINANCIALLY AND POLITICALLY the last few months have been the most hectic which New York City has ever known. The world's largest municipality faced a fiscal emergency which on several occasions narrowly escaped becoming a catastrophe. On each occasion, however, the bankers furnished the necessary funds so that the city was able to meet its current bills. Their key rescue loan on December 7 was conditioned on drastic additional economies in the 1933 budget. Such a financial situation was surely serious enough to require a moratorium on political manoeuvring. Instead, there was much jockeying back and forth by those who had the duty of dealing with the situation, and the resulting decline of public confidence made the city's embarrassment seem greater than it really was.

New York City's budgets are prepared during the autumn and go into effect on January 1. In the making of the budget for 1933, familiar characters have played their roles in a different way. Characters new to budget-making have come on the scene. Taxpayers' organizations have been more vigorous and more informed in demanding economies. Hearings before the Board of Estimate and Apportionment—the budget-adopting agency—have been far less perfunctory than is ordinarily the case. The acting Mayor undertook more definite responsibility for an executive budget than any of his predecessors had been willing to assume. But when it appeared that his tenure of office would end on January 1, the Board of Estimate showed its unwillingness to let the acting Mayor present a program of economies. The Board proposed to make the budget itself. Meanwhile the Comptroller who, by the charter, is instructed to be articulate in formal reports, was putting out in profusion and confusion alarmist and reassuring statements that the city needed large sums from the bankers, and that the city needed no sums at all. The public—and even many in the city administration—were considerably puzzled; but the public showed a firm grasp of one reality: economy was necessary. The remarkable wave of popular approval which greeted Mr. McKee's modest program disclosed the too infrequently realized desire of electors for leaders who are willing to to show some courage and to accept responsibiltiy.

The bankers, who are usually in the background so far as the financing of New York is concerned, made several prominent entrances and exits. Like every other great business undertaking, New York City must borrow huge sums, not only for long term financing but in anticipation of revenues. Not since 1916, however, had the city had any difficulty in securing financing. Now the bankers found themselves unable to sell the city's obligations and they thus began to take a prominent interest in the city's fiscal plight. The Board of Aldermen, which usually rubberstamps a budget and has for years made no changes of amounts, spent several weeks in examining the 1933 estimates and brought forth the mouse of a one tenth of one per cent reduction. But real scalings must come from salaries many of which the city has no power to reduce. So-called "mandatory laws" which were enacted by the state legislature to compel the city to maintain salaries at certain levels stand in the way. Hence, to surmount its difficulties, New York City asked acting Governor Lehman to call the legislature in special session to repeal the mandatory legislation.

Meanwhile the Seabury Investigating Committee was hearing from prominent civic leaders plans for a complete reorganization of the city's administrative structure with a probable saving of some millions a year. Financial stringency is a stern teacher. Lessons can be learned rapidly when emergencies are faced. It seems possible, therefore, that out of the present crisis, will come not only budget reductions but some simplification of New York City's complicated charter, and administrative reorganization which will be more efficient as well as more economical.

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From the confusing cross currents of events certain facts stand out. As yet New York City's financial crisis has been principally in respect of current financing. Its fiscal structure is still fundamentally sound and can be kept so if the city adjusts itself rapidly enough to a changed price structure and if it can secure cash for its current needs and maturities. The city, in short, has had problems much the same as those which faced certain important railroads a year or so ago. Their revenues had fallen more rapidly than their operating costs. They had certain maturities to meet and if the times had been normal would have had no difficulty in making satisfactory arrangements. When their operating costs were reduced and when their maturities were temporarily cared for, confidence in their securities was restored. They are by no means out of the woods, but for the time being they have no crisis. Indeed New York City is in a more favorable position than were the unfortunate railroads because there are greater opportunities for drastic curtailment of expenditures without sacrificing efficiency, and the income of the city from taxation can be

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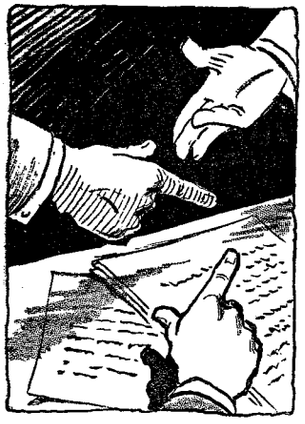

counted on more certainly.

Before this situation—of a financial crisis but of a fundamentally sound fiscal structure—is set forth in more detail it is desirable to comment further on the roles played by the various characters in the budget-making drama. If this is done the nature of the crisis and the measures taken to avert it will gradually emerge.

First, as to the interest taken by taxpayers' organizations. The most important one of these was the Citizens Budget Commission whose birth last spring was heralded by a fanfare of trumpets. An expert staff was secured and the Committee proposed to present to the administration and to the public such detailed data on wise and proper economies that operating expenses would be greatly pared down. When in October the proposed budget for 1933 was adopted and transmitted to the Board of Aldermen the decrease amounted to something like $73,000,000. The grand total of the 1932 budget had been $631,366,297. The total of the budget proposed for 1933 was $557,141,022. But of this decrease $41,220,000 were accounted for by a reduction of the debt service item—by what was in effect a raid on the sinking funds. Only in a bookkeeping sense was this an economy. By charging the expenses of the Board of Transportation, which had been carried in the budget, to the proceeds of long term bonds for subway construction $7,000,000 were saved. Nearly $4,000,000 came from a reduction of appropriations for the teachers' retirement system. In actual economy, therefore, the budget showed savings less than $20,000,000.

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This was hardly a striking success for the taxpayers organizations. It was hardly the kind of economy which one had a right to expect in a period of catastrophic deflation. The McKee economy program would have cut the budget by $85,250,000 but the major portion of that amount would have come from reduced operating expenses and temporary reductions of salaries and not from the sinking funds. Acting Mayor McKee wisely proposed to modify, rather than abandon, the Delaney Plan for short term subway financing. Under that plan there were outstanding four issues of four year bonds, each issue for $52,000,000. Two of these issues were held by the sinking funds so that the city had the power to extend their terms. Mayor McKee proposed that these issues be converted into eight year bonds. If the term was thus extended the amounts already paid into the sinking funds for amortization on a four year basis would be greater than the amounts legally required for amortization on an eight year basis. Mr. McKee proposed to use this surplus to reduce the budget for 1933 and 1934, but to retain the short term financing principle and to retire the bonds in four years from the previous dates of maturity—that is in 1937 and 1938 instead of in 1933 and 1934. The McKee plan called for the reduction of all salaries which the city could reduce and "voluntary contributions" from employees who were protected by mandatory legislation. This proposed saving would have amounted to $18,500,000.

But the other members of the Board of Estimate and Apportionment would not listen to these proposals. They raided the sinking funds to the extent that was possible by law. The two four-year term subway issues were changed into fifty year bonds and $104,000,000 have thus been added to the city's long term debt. Many of the other items in the Mayor's program were scrapped. Thereupon the public, and hence the bankers, began to realize that the city was still being profligate. There was no market for city securities, and the bankers finally made it known that they were unwilling, or perhaps it would be more accurate to say unable, to care for the city's December maturities and the funds which the city would need for current payrolls, etc., in advance of the receipt of real estate taxes.

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The bankers were in a difficult position. They could hardly do more than say to the city that economy was necessary in order that the confidence of investors could be restored. They hesitated even to be too specific—in public at least—as to the total reduction which would be necessary to reestablish confidence. They could hardly dictate to the city the specific economies which should be effected. In the situation there were some elements of irony. A letter from the banking syndicate, published on October 18, declared it "unwilling to make any further commitments in regard to the financing of the city of New York until such action is taken by the Board of Estimate in regard to the budget of the city for 1933 as will establish the credit of the city of New York." The same day the Board of Estimate was adding $104,000,000 of fifty year bonds to the city's debt and Comptroller Berry was declaring that the bankers were opposed to four year bonds. This "bookkeeping economy" seemed to ease the situation. Sixteen years ago, however, when the World War and unsettled banking conditions made it extremely difficult for the city to borrow the money which it then needed—as at present for maturities and for current bills—a bankers syndicate was organized to furnish the city $100,000,000 for three years at 6%. The stipulation then was that the city must change its financial policy and adopt a "pay as you go plan." Now, however, the pay as you go plan for the construction of the new subway system was abandoned.

Whatever the attitude of the bankers on short term versus long term financing they began to learn that this kind of economy did not satisfy the investor. They began to take a more informed and detailed interest in the city's fiscal plight. One must not blame them, I suppose, but the attitude of the bankers toward New York City seems to me in some respects reminiscent of their attitude toward certain Latin-American governments which they formerly financed. Fiscal solvency did not become a matter of high importance so long as bonds could be sold. So long as New York City's obligations could be sold the bankers were not greatly concerned over whether the city was living beyond its means and over whether expenditures must not be drastically curtailed.

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Negotiations between the city and the bankers were carried on largely by Comptroller Berry. He, as I have said, bewildered the public by having plenty of money one week and no money at all the following week. Comptroller Berry has been a great improvement over his predecessors in issuing financial reports in simple form, but the events the first week of December show that one amendment of New York City's charter is highly desirable: a requirement that the Comptroller should regularly furnish to the Board of Estimate a statement of the city's cash position—moneys on hand, moneys expected, payrolls and other bills which have to be met, and—most important of all—the maturities of the city's obligations. Only if this is done can the city administration and the public know how dependent the city is on the bankers. If that had been done the astonishing performance of late November would have been avoided. Not until December 2 did the full facts appear.

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On November 23, however, Comptroller Berry published some elaborate suggestions which looked toward a revision of the city's financial procedure. He was reassuring on the matter of general solvency, but in this financial statement there was no indication of the special difficulties which were to be faced in December. On November 24 Comptroller Berry announced that in December he would have "an estimated surplus of $90,000,000 more than I will need for expenses." He listed his payrolls, which totalled something more than $30,000,000 and said that "as anyone can easily see, despite propaganda of any kind, I will have no difficulty in meeting my payrolls."

A week later, however, it appeared that for the city to meet its bills in December, $144,600,000 would have to be borrowed. The salary rolls and other bills by no means told the whole December story. In that month a $52,000,000 bond issue matured; an interest payment of $11,100,000 fell due; $21,500,000 would be necessary for old age relief, unemployment, etc., and the revenue bills (that is, the temporary borrowings in anticipation of taxes) maturing in December amounted to $151,000,000. Comptroller Berry's surplus of $90,000,000 more than "I will need for expenses," announced on November 24, fell far short of covering the $235,600,000 which is the total of the items just listed.

The bankers declared themselves unable to meet the demand for $144,600,000. They still had on their hands part of the last issue of city obligations which they had underwritten. As they told Lieutenant Governor Lehman in the midnight conference of December 1-2, since November 17 they had been able to dispose of only $200,000 of the 5¾ per cent certificates which they had underwritten for the city. Of the issue of $21,500,000 of city bonds which they took for the month of November $11,000,000 were still in their possession. Acting Governor Lehman therefore called a special session of the legislature on December 9 so that the mandatory legislation could be repealed and the 1933 budget of New York City could be reopened for further reductions.

This crisis in current financing and maturities thus became acute because the investing public had lost confidence and this had happened because the economies had been niggardly and because the news had gradually seeped through that the balance of the city's budget would not remain a balance. The chief problem is in respect of uncollected realty taxes. The Comptroller's statement on December 2 showed that the uncollected realty taxes for the year 1932 amounted to $160,027,000. Uncollected taxes for the years 1928-31 aggregated $58,525,000 of which only $7,000,000 had been cared for by the budget appropriations. That is a formidable deficit. To be sure the city has tax liens on the property but there is no market for real estate, and in any event the city cannot realize on its liens for several years. Against this grand total of $211,552,000, which the city has appropriated but which has not been received, issues of revenue bills are underwritten by the bankers in order to meet the city's need for cash.

This situation was arranged for by the bankers in January, 1932. It was then known that because of the real estate depression, vacancies in office buildings and apartments, the arrears in tax collection would be heavy. The bankers therefore provided a revolving fund of $151,000,000 of revenue bill borrowings "in anticipation of the collection of taxes." Last January, according to Comptroller Berry, the city estimated that it would have to borrow in December, 1932, $74,000,000 "in anticipation of the collection of taxes."

It appeared on December 2, at the time of Comptroller Berry's statement, that $134,000,000 would be required. The revolving fund of $151,000,000 came due in various installments from Decemer 5 to December 13. It was this revolving fund which the bankers refused to renew. The city had cash to meet the December 5th and 6th payments of $15,000,000 each but it was short by $12,500,000 on the $40,000,000 payment due at three o'clock on December 7. The certainty of a special session of the legislature and resolutions of the Board of Estimate and Apportionment persuaded the bankers to renew these revenue bills and to renew the *tranches* of the revolving fund which matured on other December days. Renewals will be for short periods and the city, so far as current financing is concerned, will live from hand to mouth until the amount of economies is finally known.

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The decrease by the Board of Estimate amounted to $73,000,000. A promised salary slash of $20,000,000 and an additional $20,000,000 subsequently pledged will mean that the city budget for 1933 will be $113,000,000 less than in 1932—a reduction of about 18%. The Board of Estimate and Apportionment will endure a great deal of pain in deciding on the amounts which the different codes of the budget shall contribute in order to make up the $40,000,000 reduction for which pledges have been given.

It may be confidently anticipated that a good deal more than half of the $40,000,000 will come from salaries. The debt

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service item, which cannot be touched, is more than $150,000,000. Reductions have to come from the rest of the budget, and since expenditures for supplies, equipment, etc., were scaled in order to make a salary cut unnecessary, they can probably not be cut much more. So city officials and employees will bear the chief burden when the Board of Estimate makes good on its $40,000,000 pledge.

But when this is done will the city be in a sound financial condition? This year, for the first time since the city was consolidated, the total assessed valuation of real estate declined. The net reduction announced on October 1 was $719,151,858. Even if the hundreds of pending certiorari proceedings cause further reductions, the total valuation of realty subject to taxation can be hardly less than $18,000,000,000. But this assessed valuation is, in the case of many properties, in excess of real values. If the depression continues the city will have to face a further decline of total assessed valuations. But what, on the present basis, is the outlook? The question is all important in respect of the city's debt incurring capacity and in respect of the tax rate.

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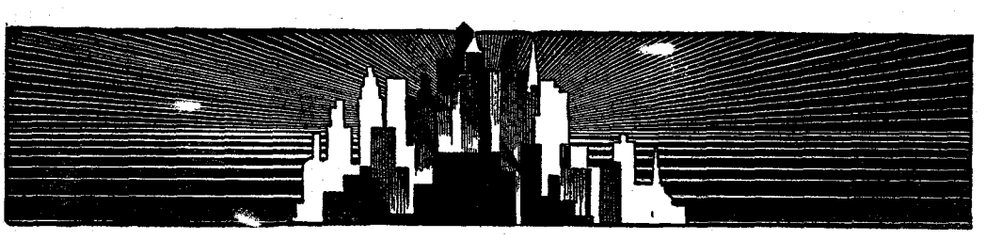
The debt margin seems to be ample. Under the state constitution the city can incur debt (apart from bonds which are issued for self-sustaining improvements or which are specially exempted) to the extent of ten per cent of the assessed valuation of real estate subject to taxation. The city could issue several hundred millions more of corporate stock and still be within the debt margin. Since capital expenditures have practically ceased, and in all probability will not soon be resumed, there could be a considerable decline in the total of assessed valuations without affecting the debt margin.

Economies which have already been decided upon and which are promised will permit, if the city so desires, a tax rate lower than for many years. It would, however, be extremely unwise to have the tax rate too low. If the city had been in the habit of appropriating to cover tax deficiencies, one principal cause of the recent crisis of current financing would not have existed. The 1933 budget should contain a sizeable appropriation for tax deficiencies. It is certain that the failure of collections will be greater than the estimate. Since there is no market for real estate the tax liens are doubtful security and the property on which taxes are not paid will not be good property. The moneys which the city will receive from miscellaneous revenues will probably not exceed $85,000,000. If the 1933 budget is scaled down to $520,000,000 then $435,000,000 must be raised by taxes on real estate. A rate of $2.50 (instead of the $2.59 rate now in effect) applied to a total valuation of $18,000,000,000 would yield $450,000,000. That would allow for a further tax deficiency appropriation of $15,000,000 to meet a small part of the accumulated deficiencies mentioned above. It is certain that whatever the tax rate a considerable percentage of the levy will be uncollected and perhaps uncollectible.

To recapitulate, New York City's fiscal crisis has two aspects. There is first of all the problem of current financing to permit the city to meet its maturing obligations. As in the past, that can be accomplished now only with the assistance of the bankers and this has been promised for some months to come, on condition that the Board of Estimate lives up to its economy pledges. Public confidence has been restored and will not be shaken again until it appears that the city is living on too lavish a scale, that real estate values are still declining, that the real estate tax is failing to produce expected revenues, and that tax deficiencies are increasing.

In the long run these problems are far more important than the issue of current financing. Despite economies, New York City still cuts its municipal cloth according to the price level of several years ago. If the trend of falling prices continues to be reflected in the real estate market then the issue of fundamental solvency will be raised in acute form. After the Federal Government the government of New York City is the most important governmental agency in the United States. Its indebtedness is almost equal to the total outstanding obligations of the forty-eight states of the Union. A fiscal crisis in New York City therefore can be more catastrophic than any financial crisis save one which involves the validity of Federal obligations.



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Land Without Rebels

By C. E. Graf von Pückler

The road back which Germany will select is called one of the great unsolved problems now confronting Europe. Germany's present difficulties are discussed by Count von Pückler, one of Germany's younger writers, who is an American correspondent in Berlin.

MANY BOOKS have been written about the marvelous recovery of the German Reich following the World War. Foreign, and especially American, magazines and periodicals, have published articles about the new spirit in that young democracy East of the Rhine, about the impressive industrial plants built up despite reparation payments. German ocean flyers, scientists and politicians received on the steps of the city hall of New York have renewed old ties of friendship between the United States and the Reich. No more hard feelings, everything was just as before the war—said these articles.

The Germans evidently—look at their business statistics—had mastered an almost hopeless situation. The world learned with satisfaction that a fine new nation had emerged in central Europe. That was the impression given by the printed word.

The regular news reports, cabled by Berlin correspondents to the more serious papers in the United States, sometimes talked a somewhat different language. It seemed that there were financial difficulties in Germany and some political trouble. A man by the name of Hitler, for some reason or other, was being a little noisy, and there were not a few communists. But then, of course, there are always not wholly satisfied workmen, an easy prey to reckless demagogues. With the well known "innate sense of the German people for law and order" being the chief characteristic of the Germans and old man Hindenburg, "statesman, soldier and republican," fathering those 60,000,000 in central Europe, surely nothing could stop the ultimate recovery. Fundamentally, the more cheerful writers told their readers, Germany was on the up-grade.

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The truth is that since the World War, and the conclusion of the treaty of Versailles, never have there been fewer signs pointing at a recovery either way, toward a reconstruction of the old or the creation of a new Germany, than at the turn of the year 1932. Germany's horizon is dark. The hopeful signs that many people have professed to see within the last fourteen years have, as a rule, proved delusions—delusions of people who took the mere destruction of the old for the dawn of the new, of German and foreign businessmen who thought that the rise of production in Germany was tantamount to the rise of the nation, of bankers who were convinced that credit from abroad was all that was needed to make up for four years of war, over 2,000,000 killed and for the loss of ideals, faith and self-confidence; delusions of those who felt that our great machine age would have no difficulty in replacing spiritual values just as speedily as it knows how to transform an armament manufacturing company into a soft drink plant.

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Those who spread the news about Germany's recovery usually had been sent out to find an answer to the question "Can Germany pay?" At any time since the fall of 1918 they had comparatively little trouble in getting a confirmation of the optimistic prejudices which they entertained in this respect. They would soon find some business leader willing to tell them, with all the authority, and more, than his position carried, that Germany was swiftly recovering.

But if the interviewer, eaving the fine office building with this cheerful diagnosis in his notebook, ever took the trouble to stop for a minute on the street to buttonhole the first citizen on the sidewalk and to ask him: "How is everything in Germany?" he would have been told a different story. He would have seen despair in the eyes of the middle-class man or woman, hatred in the face of the workman, scorn among the farmers and resignation everywhere.

Both the optimistic business man as well as the downhearted man in the street, from their point of view, have a good reason for their attitude. The contrast in their outlook, which to this day is pronounced in Germany, is significant. The simple man in the street, whose wage or salary is never much above the minimum of subsistence anyway, even when the country is relatively prosperous, resents the loss of ideals and faith much more acutely than the well-off business man. There were years after the war when German business, chiefly stimulated by a flood of foreign loans, was not doing badly. Much of the profits, it is true, went abroad for reparation payments and interest service, but there was only few unemployed, and wages on the whole were higher than before the war. Yet there has never been any happiness and satisfaction among the German people at large.

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While the world learned of Germany's recovery, while French statesmen began once more having sleepless nights under the nightmare of the Teuton giant rising to its feet to lead a war of revenge, and the confidence of international business returned, the German people themselves did not know that they had "recovered" and kept on talking of "peacetime" when they meant the

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time before the war, before the fateful August of 1914.

They have been suffering for the last fourteen years from a slow process of cultural disintegration. Their ideals and traditions of pre-war days: to love and serve God and your country, to be a good and respected citizen, looked small and old-fashioned after the war. Their savings were wiped out by the inflation of the mark. Their morals were scorned and ridiculed by a snobbish disillusioned post-war youth. Religion was laughed at everywhere. Those who thought they were the intellectual leaders of the new era were in fact nothing but the product of the cultural and spiritual vacuum left over from the war. But their influence was enormous, because the spirit of the people was broken and unable to put up any serious resistance.

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Prussia's crushing defeat in 1806-07 caused the rise of a new spirit which overwhelmed Napoleon five years later. When the French imperial armies surrendered in 1870 the young French republic made a heroic attempt to save the nation. Russia's collapse in the World War brought the dawn of a new era with new and great conceptions of social and political life. But the German collapse in November, 1918, produced nothing. The German people were completely exhausted.

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The events of November 9, 1918, when the Kaiser resigned the throne, have come to be called the German revolution. They do not deserve it. The last ounce of strength of the nation had been exhausted on the battlefields of France. There was nothing left for a revolution. Revolutionary spirit was an expression frequently heard then, but that had no meaning outside of summarizing the exhaustion, the disgust and disappointment of the people. The socialists who, in the course of events, inherited the government power from the former authorities, confined themselves to weak proclamations. To create an emergency government in order to prevent the complete dissolution of the Reich, to tear the epaulettes from the shoulders of disgusted soldiers, to remove crowns from the roofs of public buildings, to abolish titles and raise wages was just about all they could do and did to usher in the new age of Marxism. Having no more strength of their own they let themselves be guided by the naïve belief that the Allied powers would be only too glad to help them put the new German democracy upon her feet and to keep her there. When this proved a disastrous fallacy, when the treaty of Versailles began choking to death the young republic, the new government was far too busy with the tasks of the hour to bother any more about revolutionary spirit and ideals.

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So the spiritual vacuum created in Germany by the war has never been filled to this day. There seems to be a widespread belief in the world that the German sense for law and order prevented serious upheavals. The fact is, rather, that there were, and that there are now, no rebels in Germany. The German spirit has remained broken. It is not because of their moral conviction that there must be law and order that the German masses have kept relatively quiet, but because they are weak and resigned, because they do not dare jeopardize their jobs, if they have any. Rebels, wherever any showed up, are still disavowed by their own friends. We of young Germany have felt that the allied powers looked to it that Germany was kept in a constant emergency and had to devote its energy to the fight against war indemnities, armies of occupation and economic trouble. As long as Germany was kept on the verge of bankruptcy there was little danger of the rise of a new spirit, a revolutionary spirit. This "danger" will become acute only, if Germany regains a certain independent prosperity, or else goes bankrupt.

The result is that the Germany we find today is a nation where the "decline of the West" is most conspicuous. But the German revolution, a spiritual and probably also political revolution, has only been postponed. In the long run either one of two things must happen: either the old ideals and the old order of pre-war days must be restored or a new system, new ideals and a new morality must be found. So far we have lived through a period of stagnation where neither the reaction has made much headway nor a strong revolutionary spirit has shown up. The spiritual vacuum created in 1918 remains to be filled.

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For the present, reactionary elements, though probably in the best sense of the word, rule in Germany. Patriots, tied by birth and tradition to the old order (and that means to capitalism and the West) are trying to unite the nation. But the struggle of reaction against revolution has not yet begun, for the simple reason that the revolutionaries have not yet appeared. The struggle for political supremacy that we witness today in Germany is, primarily, a conflict among reactionaries. For the Nazis, despite their gradual radicalization, are at heart reactionaries. They are made up of the German middle-class which has always been extremely proud of what separated it from the proletarians. They were the "backbone of the nation" before the war, and it is only natural that they should long for a revival of those days. The socialists have shown, in the years when they were in office, that they had little to contribute to a revolutionary spirit. The centrists, the third large factor in German politics, will always be found where the Catholic Church is, namely, in opposition to new moral standards.

Political parties in Germany today are getting more and more to be nothing except empty vessels which used to contain the political and social philosophies of the past, but now are devoid of any new and great conceptions to catch the imagination and to arouse the potential enthusiasm of the masses. Even the Nazis, with all their spirit of sacrifice and sense of comradeship, have produced nothing but a vague idealism and sentimental romanticism. The German revolutionaries of a probably still distant future, those young intellectuals who

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are looking ahead instead of intoxicating their minds with the recollection of "the glorious past," are today scattered among all kinds of political parties and organizations. They have yet found neither a common path nor leader. Everything is still hidden behind a smoke screen of literary discussion. The outsider, watching the daily news from Germany, does not hear of them.

The few common ideas they have produced so far are largely confined to politics and economics due evidently to the fact that since the war economic and political problems have been most urgent. This may serve as a rough outline of their economic and political ideas, vague as they still are:

Germany is no longer to be a capitalistic nation. Her economic life and business is to be planned and controlled in some way or other, so as to assure the greatest possible stability. Economic self-containment, as far as possible, will be the premise of this system of "national socialism." But as Germany with her large industrial population depends to a certain extent on commercial intercourse with other nations her foreign trade is to be directed so as to prepare the gradual evolution of a middle-Europe, whose national units, while remaining independent, will be bound together by the systematic exchange of goods. This middle-European bloc, which is to include the territory of the former Austria-Hungary, the Balkan states and Poland, will incline toward Russia rather than to the West.

Those are so far the most tangible points in what may some day be the program of German revolutionaries. It is nothing more than a frame, subject probably to many amendments. What this frame will contain, what the future political and social structure of Germany is to be, it cannot now be predicted with any degree of accuracy. The communist party today, though representing more than one third of the German workmen, is practically outlawed. They are the official enemies of the present state. Yet there is little doubt that Bolshevik ideas and experiences will contribute to the future structure of Germany, although hardly through the dictatorship and their collectivism.

Having suffered most within the past fourteen years among the nations of the West, the German people are about ready to make an end of that 100-year period which because it is characterized by the predominance of business and money begins to be hateful to them. The Germans are best prepared to submit to the stern discipline of a new morality.

Whether there will be an open clash between reactionaries and revolutionaries will depend on future developments. It is not impossible though the time of civil war seems to be over and the opportunity for revolutionizing Germany by violence seems to have been missed for good in November, 1918. It is more probable that the ground for the birth of a new Germany will be prepared gradually, that new ideas will percolate bit by bit in the next five, ten, maybe twenty years, and that the Lenin of the German revolution will simply execute the will of the people by instituting the new order.

The nations that won the war may successfully try, owing to the moral stimulus of victory, to escape for the present a spiritual, social and political revolution. The vanquished have no choice except cultural decline or an entirely new start. Austria-Hungary, having disappeared completely, only two nations remain that suffered defeat—Germany and Russia. The Russian revolution followed closely on the heels of defeat. The Germans, given to progress on long and complicated detours and slow in recovering from the blow of Versailles, will need more time before they decide to make a new start.

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Empty Hands Across the Sea

By George E. Sokolsky

Does the promised New Deal contain a new foreign policy for the United States? The argument for more realism and less sentiment, a closer relationship to the fleeting dollar in drafting a new policy, is urged by George E. Sokolsky, writer, lecturer and author of "Tinder Box of Asia."

"DOLLAR DIPLOMACY" has never been popular in the United States. It has never been popular because Americans have so often been led to believe that dollars are tainted. The conception of a foreign policy in pursuit of trade has not appealed to the international lawyers who have supported a diplomacy in support of principles. Yet the foreign policy of this, or any other country, can only be an instrument of government, and a government can only be continuous and effective when it labors for the welfare of its own people.

The principal need of the American people today is a closer relationship to the fleeting dollar. With nearly a fifth of the population removed from easy access to dollars, the United States presents the spectacle of a rich man's house in confusion and disorder. The farmer requires more dollars; the manufacturer requires more dollars; the laborer requires more dollars.

Recently I spoke to a wise man about the relationship of our foreign policy to getting the dollar back to the American masses. He said to me, "You must not be so crude. Americans are sentimental. They don't like to think that what they do is motivated by financial considerations."

Why not? The dollar represents, under our capitalistic system, food and clothes and shelter, education and leisure, music and art, books and painting. It represents peace and prosperity. It represents the facts of our civilization.

The foreign policy of this country cannot be unrelated to its economic structure. It cannot be something apart, an activity for delicate gentlemen who dislike trade. It is as an instrument of trade, as a weapon for economic exploitation, as a means of producing more work for American labor and more revenue for the American farmer, that the foreign policy of this country, in this critical period of the shrinkage of dollars, takes on a new importance.

The American attitudes towards Soviet Russia, Japan, China, Canada, Great Britain, and even the South American countries, call for immediate revision because they were developed without due regard to trade interests. This country dislikes communism as much as Soviet Russia dislikes capitalism, but it is difficult to understand the logical nexus between an emotional reaction to an ideology and the willingness to trade with a ready customer. The same rule of stark realism should be applied to each of the trading countries: if they want to and can do business with us, we should do business with them—and let questions of ideals, morals, confused logic and human error be left to politicians, specialists and to time.

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The foreign policy of the United States was developed during the 19th century when a small number of ardent and courageous men and women set out to conquer an unknown continent. From the beginnings of national existence the American relationship with foreign parts, not only with Europe and Central America, but also with Asia and Africa, required a defensive foreign policy to safeguard the very existence of the small and struggling country and to protect its slight commerce. Thus, the first treaty with China, signed as early as 1843, contains all the factors which are today inherent in our Asiatic policy. Similarly, the Monroe Doctrine is a defensive mechanism against continued European penetration on the American continents. The foreign policy was, in those days, a defensive mechanism of an insecure people who wanted to be left alone to work out their destiny in the conquest of a rich continent.

The territorial limits of the United States were for years uncertain. It was not until the Pacific was reached that the Western political boundary was fixed, but an intervening economic area remained for colonial exploitation. The Northern boundary was fixed by Canada's disinclination to forsake England, but we almost went to war over the Oregon territory. The Southern boundary was achieved by imperialistic warfare and equally imperialistic purchase.

As this movement of the boundaries away from the original thirteen colonies involved relations with foreign countries, the United States was aggressively forward in its foreign policy, but even during the most bellicose days of American imperialism, trade was not the primary force of motivation. If anywhere, only in the Far East, and principally in the articulation of the American policy in China, has trade tended to be a salient factor in American foreign relations. The acquisition of the Philippines aroused an interest in the Pacific trade which had become less active after the Civil War, but it was not until the World War that a Pacific trade ballyhoo, accompanied by what in the East was called gas, wind and water, stirred American statesmen. The refocusing of policy was in no small measure due to Herbert Hoover who, as Secretary of Commerce, was influenced by a realism which he lost after his election to the Presidency.

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The growth of the American population was stimulated by the unparalleled natural riches of the border provinces. Each frontier opened new fields of wealth to an acquisitive people. Each new field brought, not only the more adventuresome from the already settled American states, but immigrants from every country in Europe. The high arability of the Middle West farm lands, the mineral wealth of the mountainous provinces, the riches in lumber in the forested provinces made it possible for pioneering stock not only to become economically self-sufficient but even to acquire an equity in personal fortunes hitherto unattainable by farmers, miners, lumbermen, by a people who in any other country represent the lower economic strata or, at best, the lower bourgeoisie.

Even more intensively to absorb the full energies of this people, the Industrial Revolution encountered upon this soil a completely unusual circumstance—there were no impediments, no traditions, no existing industries, no class habits to hamper its free growth. While the United States was becoming the principal agricultural country, it was also developing into the principal industrial country. Whatever genius and energy was not consumed by agriculture was consumed by industry. Binding the whole was a network of railroads, so numerous, so diverse that every town and hamlet was tied into what, by the opening of the 20th century, became a compact economic unit unparalleled in its productive capacity, unparalleled in its output and the evenness of its distribution.

The average American became the richest man on earth, that is compared with other human beings in his own bracket.

The astonishing economic prosperity of this country was geared to meet two conditions, first, an increasing population and, second—an expanding territorial extent as the frontier moved outward, increasing from nearly 900,000 square miles in 1800 to more than 3,000,000 in 1930. The population grew not only because of a high birth rate but also because of large scale immigration from Europe and Africa, which for some years averaged more than a million a year. The increase of population for the same period of some 5,000,000 in 1800 to more than 120,000,000 in 1930 provides an ample explanation for the increase in the consumption of goods, for the immigrant is a consumer the day he arrives and the child is a consumer before he is born.

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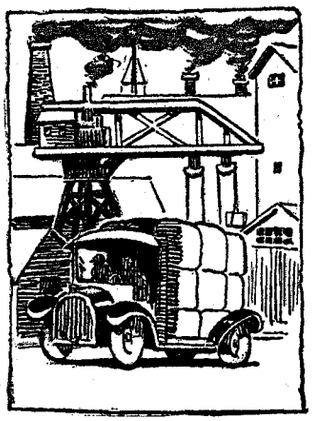
The capacity for the production of consumption goods for years could not fill the constantly increasing requirement; thus the protective tariff became the instrument for the encouragement of an indigenous industry in competition with European industrial establishments which hoped to find here a profitable market. Nevertheless, and in spite of an extraordinary high tariff, the United States was, up to the Great War, a good market for the products of European countries. The struggle of the rising American industries to protect themselves against competition from Europe, the fear lest the boundaries of the country be affected by European imperialism, the rising standard of living due to the accretions from industry and the establishment of a farmer class rather than a peasantry due to the ease with which farm land could be acquired in new areas opened by the moving frontier, created a national psychology unfavorable to an intimate participation in the affairs of Europe.



The American not only had no time to devote to foreign affairs, but he was afraid of them. He not only was not conscious of the value of a foreign market but he could hardly satisfy the American market. The foreign policy of this country then tended to become sentimental. There were countries we "liked" and countries we "liked" not so much. It is surprising how skillful our diplomats were in avoiding an involvement in world affairs. We stayed out of the international picture really until the Spanish-American War, into which Mr. Hearst hurtled us, to reorient us, perhaps forever, out of a policy of isolation into a policy of imperialism and coöperation.

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From Washington to Wilson, the United States could afford to neglect its foreign trade. Whatever it brought was a trifling addition to a profitable going concern. If, to get this additional trade, any sacrifice had to be made of whatsoever character, then the business was not regarded as worthwhile. The pioneers of foreign trade were in difficulties when they sought special backing or unusual credit arrangements or political concessions.

The War, however, changed the picture with startling sureness. Three tendencies appeared during the war to alter the character of American economic conditions. First, the bars were raised to immigration. No longer would the population increase because of the influx of aliens. No longer could producers anticipate a rapid increase of consumers on the basis of large numbers of Europeans settling in the United States. In fact, by 1930 the peak of immigration had been reached and crossed; more persons were actually leaving the United States in 1931 than had entered it.

Second—an era of agricultural and industrial inflation was entered upon which had for its objective not the satisfaction of the consumer demand in the United States, but a world demand based upon the inability of battling countries to produce their normal quotas. The United States became the supply-house of the world. Factories were built and expanded as though the war would go on forever. Agriculture was mechanized and acreage increased as though the other countries would never produce anything again. This inflation continued until 1921, when there was a warning that it should be arrested. With sublime disregard for economic facts, it was stimulated and overstimulated until the collapse came in 1929.

Third—to finance this inflation, the United States exported vast quantities of capital. Countries which had never before been able to borrow on tremendous scales found easy access to capital in the American market, and often capital so readily acquired was expended extravagantly or carelessly. Furthermore, American capital financed industries in foreign countries

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which competed in export markets with American industries or with the industries of other debtor nations. In an effort to meet external payments—that is to pay the American creditor—each country sought to produce as much for export as its industry could while at the same time reducing imports by every known device.

The inflation of industry by the excessive export of capital from the United States, particularly from 1925 to 1929, tended to facilitate the debacle, but when it became apparent that the debtors could not meet their obligations without destroying their own economic structures, then the United States could not readily coöperate with other countries in achieving a facile readjustment because the United States was not part of the machinery of coöperation, while the debt question became a subject of internal politics and an object for confused thinking.

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After having been a debtor country throughout her history the United States found herself the principal creditor of the nations of the world. After having been a nation which could afford to disregard foreign trade, she became a nation which had to develop foreign trade not only to keep her factories open and her agriculture prosperous, but also to make it possible for her debtors to pay their debts. From a nation which had sought to avoid entanglements and even the simplest forms of international coöperation, she had become the one country upon whose policy the welfare of every other country depended.

The foreign policy of the United States developed by an agricultural people of Puritan antecedents, designed to protect a rising industrial economy from being swamped by competition from Europe and latterly from Asia, was pursued to avoid coöperation while maintaining friendship, good-will and virtue.

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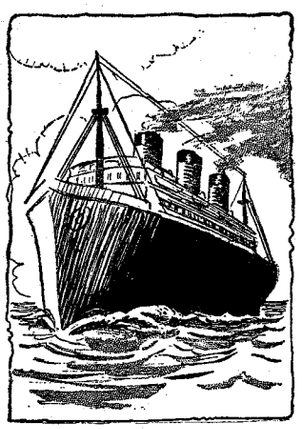
It may be true that the United States seeks justice and peace, but it cannot feed its own or competing populations on such desiderata. It may be true that the Monroe Doctrine in Central and South America, the Open Door Policy and the Territorial Integrity of China in Asia, and the doctrine of non-coöperation cluminating in the rejection of the Versailles Treaty by the Senate are cardinal principles of American foreign policy, but how is the United States to overcome the thought lag between economic realities and traditional policies? How is the foreign policy of the United States to be transformed from a mechanism of mere protection from entanglement to an instrument of economic readjustment and growth, from a series of doctrines to avoid coöperation to a medium for the promotion of trade relationships?



Suppose we discuss the problem from an altogether different direction. Suppose we suggest that no alteration is made in our foreign policy. Then, for instance, the tariff remains an instrument of domestic politics and becomes, in effect, a Great Wall of China to keep out the products of other countries. By corollary, every European and Asiatic country keeps out our goods with the objective of such retaliation as appeared at the Ottawa Conference. There is not a single commodity produced in the United States which cannot be produced and purchased elsewhere. No nation must buy in the United States. Similarly, with the exception perhaps of silk, coffee, rubber and some metals there are few, if any, commodities consumed in the United States which cannot be produced in this country and for the exceptions there are substitutes in the offing. How completely self-sufficient the United States can become may perhaps be instanced by two examples: as a means to accomplish the diversification of crops, the soya bean has been planted in Illinois, Iowa and Kansas during the past year and about $1,000,000 of this product has been exported. The soya bean is the principal pay crop of Manchuria and was at one time exclusively raised in China. Similarly, tung trees have been planted in Florida and Mississippi. This tree provides an oil which is a base for paints and varnishes and which has been an exclusive product of China. Both these commodities enter largely into China's trade, tung oil particularly being a commodity of American consumption.

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If we compete with the Manchurian peasant in his one pay crop, and if we refuse to purchase the commodities of the Chinese peasants of Hunan and Kiangsi, they cannot purchase the produce of our industries. China is our fourth best customer. After the results of the Ottawa Conference become effective she may become our second best customer. After the crash in 1929, the price of Japanese silk fell, the market in Paterson, N. J., disappeared and the Japanese farmer was left without his pay crop. Japan is our third best customer today and may become our first best customer. The Ottawa Conference represents the reaction of Canada and Great Britain to our thought lag between the economics of trade and our foreign policy. Canada is our first best customer; Great Britain our second.

We may wipe out this foreign trade. We may forget it. We may build a wall about ourselves as Chin Shih Hwangti built the Great Wall of China to keep the barbarians out. The United States will survive. The American people will continue to eat. Agriculture and industry will be practiced.

But what will this country be like? Remembering that existent American industry and agriculture have been geared to an increasing industry plus a wartime and post-war inflation involving supplying goods abroad while maintaining a high standard of living at home, we face the fact of a static if not decreasing population at home and reduced if not obliterated export to foreign countries. Our industry and agriculture will have to be deflated to a constant internal consumption with no possibility of expansion. It may be suggested that the standard of living of the American people will continue to rise as it has risen in the past and that consumption

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will thereby be increased. But the rise of the standard of living is directly affected by the increasing population, the elevation of the immigrants and their descendants to the American standard and the wartime inflation which was influenced by the export of capital and goods to foreign countries.

It seems to me that if we wipe out our foreign trade completely, we shall find it necessary to reduce both industrial and agricultural production; we shall have to curtail labor-saving devices so that as large a number of laborers may be employed in producing for a local market as have been employed in producing for a world market. The social effect of such curtailment of agriculture and industry and the psychological effect of reducing opportunities for the expression of the American inventive genius will be to stratify American society socially and economically. But the distinctive characteristic of what we term American civilization has been the equal and free opportunity of every individual to better himself and to find higher economic and social levels. Stratification may, if carried to its logical conclusion, reduce the American farmer to the condition of the European peasant, the aggressive middle-class now formed by both laborers and merchants to types of antagonistic proletarian and frightened bourgeois. A few, who now have money and position, would retain power.

This is a dangerous conception of the future of this country, antagonistic to the individualistic character of a people only a generation or two removed from the frontier. The American will never tolerate such a stratification. He will rebel against it. He will destroy it as he is destroying the equally iniquitous impositions of Prohibition.

Yet the development of foreign trade offers a direct solution for this particular problem. There are still open markets for American commodities which can be sold at profitable prices in competition with similar commodities manufactured in other countries. China, Japan, Russia, India, Persia and some of the South American countries offer just such markets.

He who buys, however, must be able to sell. This involves a limitation upon American production so that there is a fair ratio between exports and imports, making it possible for the other country not only to buy goods but to pay its obligations if the export has been capital instead of goods. Even when the balance of trade is in our favor, an effort will have to be made to encourage the trading country to produce ample wealth to fortify itself against the shock of an unfavorable trade balance. This will involve the export of capital and production goods on long term credit for the promotion of indigenous industries.

Now, the instrument for the advancement of such a trade can only be the foreign policy. It has been the custom among orators to talk about hands across the sea and eternal goodwill. Good-will never produced trade. Nobody can buy if he cannot sell. There may be a plethora of goodwill but an excessive tariff will not only make buying impossible, it will impede, and in the end prevent, the repayment of obligations.

The task then is to revise the foreign policy of the country on the basis of economic realism, to assume factually and frankly a policy of "Dollar Diplomacy." Several suggestions in this direction immediately offer themselves. For instance:

1. The United States can no longer assert a political hegemony over Central and South American countries which refuse to recognize the cultural superiority of a mighty neighbor. To those peoples, the Monroe Doctrine even in its most recent modification, is an offensive form of imperialism involving an assertion of racial superiority. The task of restoring the Central and South American markets to American trade requires a restatement of the Monroe Doctrine to include the voluntary union of states on the American continent in a League of self-interest where such a union is possible and mutually beneficial. A special effort should be made under government direction to encourage American capital to be invested with a measure of government supervision, not in political enterprises such as maintaining existent governments, but in industries specifically designed to raise the standard of living and therefore the purchasing power of these people.

2. The American tariff should become an instrument of the American foreign policy designed not to protect American industry but to foster foreign trade. The "Most Favored Nation Clause" should be replaced by a series of special tariff treaties designed to foster foreign trade in specific commodities which the United States can afford to admit at reduced duties without endangering the industry or agriculture of this country.

3. The United States should join in every international coöperative effort to prevent wars, for wars never pay in the end. Wars are usually financed with borrowed capital and it may become necessary for the debtor nation to go to war again to justify a default. The last war has remained a permanent impediment to international trade and has involved this country in a debt problem which has the psychological, if not the political, effect of spoiling possible markets. As wars do not promote trade and have no particular value to this country, they should be avoided and as the traditional attitude of non-coöperation does not quite serve, the only answer is to coöperate.

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This is by no means a complete or adequate program. It is merely a statement of the major problem with some consideration for several of the component elements. The argument can perhaps be summarized in a phrase, namely, that if what this country requires for peace and prosperity is foreign trade, then that is what we should set out to get, and our foreign policy should be revised and altered to serve as an instrument in the getting. The orthodox international lawyer will object to the proposal as involving dangerous experiments, but it is difficult to believe that any experiment aimed to move goods and gold can be as disastrous as the adherence to traditional policies and practices since the end of the War has been.

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In Defense of Good Health

By O. F. Ball, M.D.

Socialization of the country's health problem is the largest single issue raised by the Committee on Costs of Medical Care. Dr. O. F. Ball, President of The Modern Hospital Publishing Company, Inc., reports on the present state of our national health defenses.

THE HEALTH of the American people was never better than it is today. This fortunate condition, if maintained, will continue to be a vital force in the national effort to return to business stability. Speedy economic recovery is not to be achieved by a sickly people. Certainly a high morbidity rate would introduce new hurdles in the pathway of returning prosperity. How surprising it will be then, in this period of national strain, if any weakening of our public health defenses is permitted; and yet economic stress already threatens them. An awakened public interest alone can remove this danger. The efficacy of these defenses is unquestioned. Disease prevention and health educational work with the present generation have been potent factors in carrying the people through three years of serious economic depression without increase of illness or collapse of morale. The nation's death rate has declined during these years. Even the toll of tuberculosis and pneumonia has steadily lessened. However, as pointed out by one authority, "The record throws no light on the mental health of the people, which must be anything but good. Nor can I avoid the fear that should present conditions continue we will soon become aware of the consequences of malnutrition of children in terms of disease and mortality records."

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Of course, the beneficent effect of organized health service through these troublous years has been supplemented by some of the conditions growing out of the depression itself. Unemployment and shorter hours of labor have permitted a considerable part of the population to benefit from a more active outdoor life. Climatic conditions on the whole have been favorable throughout the country, and there has been no serious epidemic. There have been fewer industrial accidents because industry itself has been crippled.

Despite these favorable factors, the burden on the hospitals of the country has been heavy — about fifteen per cent heavier in 1931 than in 1927 as measured by the average number of patients treated. To their past achievements must be added the credit of meeting this added load so effectively that there has been no lack of competent care for all classes whether they could pay for it or not. The American system of hospital service has not only demonstrated again its fine humanitarian qualities but during these three difficult years it has proven its economic value as never before. The country's record of health gives testimony.

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So, too, have the other health services of the country met the situation with the same courage, self-sacrifice and efficiency. The medical profession, in and out of hospitals, has given free treatment to those who could not pay. Public health officers, visiting nurse organizations, the private welfare societies and all of the other social service agencies have stood shoulder to shoulder in the fight to protect the health and morale of the people. The emphasis in this article on the importance of maintaining the high standards of American hospitals does not suggest even by inference that there can be any lessened support to the other agencies.

Hospital protection enfolds practically everyone. In the course of a year, more than ten million resident patients enter hospitals, and the ills of some eight to ten million more of our fellow citizens are diagnosed and treated in out-patient departments operated in conjunction with hospitals. Thus the seven thousand institutions comprising the hospital system of the country render direct service each year to about one-sixth of the total population and through health educational work and the control of communicable diseases an indirect benefit is given to the entire public.

Approximately one-half of the patients hospitalized each year are cared for in voluntary hospitals, the other half in governmental institutions (municipal, county, state and federal). Proprietary hospitals, the privately owned and conducted for profit class, take care of a daily average of less than 18,000 patients.

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What a gigantic health defense the 7,000 hospitals constitute! Substantially more than three billion dollars has been invested in their plant and equipment—twice the net tangible assets of all the automobile manufacturing in the land. All but a minor fraction of this capital investment is on a non-profit basis, the funds having been provided by private philanthropy and by local, state and federal governments. Obviously since hospitals are not run for profit, these institutions are the property of the public. More than that, the private charitable institutions are a gift to the people. A billion and a half dollars has been contributed to build and equip these voluntary hospitals, and private philanthropy has carried the annual deficits caused by service to free and part-pay patients.

The fourth winter of the depression finds many of our hospitals seriously troubled. The pressure on the

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public institutions, particularly the municipal hospitals, has been increasingly heavy, both in bed occupancy and out-patient service, since 1929.

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In New York City the public hospitals have had an average occupancy during the past year of 101 per cent. Of course this means over-crowding, but adequate service in the emergnecy was rendered. In 1928 the average occupancy was only 75 per cent, which represents a normal utilization of facilities in an institution serving acute disease patients. The added load of out-patients is indicative also of the protection to the health of the public. In 1928 there were 842,391 dispensary visits to these city institutions, and in 1931, 1,675,988.

Similar conditions exist throughout the country, all public hospitals giving greatly increased service both to bed patients and through dispensaries and clinics. In the main, this additional load has been carried without adequate personnel and funds, in some instances with reduced appropriations.

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Most of the municipal and county hospitals are handicapped and will be unable to continue giving the full quality of protection required of them unless there is more tolerance, sympathy and understanding on the part of our leading citizens as a safeguard against unwarranted slashing of hospital budgets. In the undiscriminating revolt of the people against taxation, there is grave danger of crippling these hospitals. Their hope lies with the citizens who can influence public opinion to prevent such a calamity.

The voluntary hospitals have even more cause for concern than those supported by government. In the past three years more persons required hospital service than ever before and fewer of them were able to bear the full cost of their care. But these institutions have bravely met the challenge. Two hospitals in Chicago supported entirely by Jewish Charity, gave $359,600 of free service in 1931! In the same year the cost of free hospitalization given by the Catholic institutions of St. Louis amounted to $425,700, while the Protestant hospitals in another city gave service to the value of $865,436. Everywhere the story is the same. With public hospitals crowded, voluntary institutions bear a steadily growing burden that the nation's high health index may be maintained.

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As a result, the spread between income and expense has constantly increased with these charitable institutions. On the average, they are now giving more than 30 per cent of their services to patients who cannot pay, and income from paying patients has fallen off from 15 to 25 per cent. The financial situation is so acute that more than one hundred of the smaller hospitals of this class discontinued operation during the past year despite the keen need for them, and many others have been driven to close some of their wards and private rooms.

The voluntary hospital has but three sources of income: about 60 per cent of it from patients, a bare 4 per cent from invested endowment funds, and the balance from donors. Frequently, hospitals have no endowment whatever so that their income is derived solely from patients' fees and from gifts.

Since the early days of our country the voluntary hospital, as the distinguishing feature of our national concept of service to the sick and injured, has been as close to the heart and mind of the American people as the church and the school. A voluntary hospital is one which has been founded as a private institution, receiving generally little or no support from taxation. It is governed by a board of trustees of private citizens. It is free from politics or political control in its management. Of course, it is conducted without financial profit, existing solely to supply the best care and service to the ill and injured of its community. In short, it is what is known as a private non-profit, charitable hospital. It may be fostered by the church, or by the fraternal orders, or it may be set up as a memorial or established as a community enterprise by a group of public-spirited citizens.

Whatever its origin, the community hospital is one of the great works of mercy. It is no house of horror, creating accident, illness and tragedy. Instead, it is a stalwart defender against them—a merciful haven for their victims. Through its free and part-pay beds, its out-patient department and social service work, it tends to smooth out many of the more serious inequalities of fortunte. It is America's best effort in practical socialism.

It must always possess spare capacity, expensive though this factor may be. The incidence of disease is irregular—hence the occupancy of hospital beds is uncertain, but always these must be in readiness for urgent requirements. This preparadness for emergencies constitutes a factor of insurance without which modern city life would be unsafe.

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It is proper that the public be warned against the danger involved in a lowering of the standards of hospital service. Such decline is imminent today unless there is an awakened public because hospital income has dropped to so low a point. The maintenance of public health at a high level was never more vital to the national welfare than at this time. More and more the hospital has become the chief factor in restoring the sick and injured to health and in keeping well people well.

It is the main bulwark against epidemic diseases this country can so ill afford to endure—this year of all years. Such epidemics have caused the greatest panics in history creating, not only high mortality, but a degree and quality of fear of which today we can have only a faint comprehension. Pestilence stalked through all of the early civilizations. The Roman Empire, with no public health protection as we know it, was humbled by disease time after time; the Black Death, in recurring

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cycles during the Fourteenth Century, left all Europe prostrated and trembling; the great Plague of London carried off 15 per cent of the population in the year 1655.

Here at home yellow fever, smallpox, influenza, and most of the other infectious diseases have halted commerce, created widespread panic and caused untold suffering and tremendous financial loss. It would be tragedy indeed if this nation were to face another such plague with inadequate hospital capacity and equipment.

Without the hospital and its collateral activities there would be no efficient control of communicable diseases. Except for its protecting influence there could be no extensive segregation of population into cities. Modern medical science, as applied in our hospitals and by health departments, gives to community health and community stability a degree of protection such as is contemplated for our currency through the Federal Reserve system. Dr. Louis I. Dublin, in his recent presidential address before the American Public Health Association, warns us against the grave risk of wrecking health organizations and activities built up through the years: "Unless we are very careful, we may through these attempts at false economy let loose forces which will undermine our very capacity for speedy economic recovery. I hate to think what it would mean in cold dollars and cents if we were suddenly confronted with epidemics of typhoid fever, of smallpox, or of diphtheria. The health protection of our communities is like a dyke which prevents the ravages of a flood. Once our defenses are weakened, increased sickness and death would make economic recovery all the more difficult. If governmental economy is necessary (and everyone is agreed that it is), there are many types of activity less vital that should be curtailed first—not one that threatens life itself."

If donors realized this, perhaps private philanthropy would not fail to meet hospital deficits caused by service to non-paying patients as it has failed during the past three years. Too frequently the interest of the average citizen in his community hospital has been prompted largely by emotion rather than by business judgment. Few who respond to the appeal of the institution think of it in terms of insurance to themselves and protection to their property and other investments. Yet this is exactly what it is.

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The key position occupied by hospitals in our national health defense plan is stressed by the Committee on the Costs of Medical Care in its final report given to the public on November 29th. This committee was organized to "study the economic aspects of the prevention and care of sickness, including the adequacy, availability and compensation of the persons and agencies concerned." Financed by eight of the welfare foundations, and with a notable personnel representing the public, social sciences, institutions, public health and the medical and allied professions, the committee and its research staff during the past five years made an exhaustive survey of this complicated problem.

The chairman of the committee, Dr. Ray Lyman Wilbur, states in the introduction to the report that "the quality of medical care is an index of a civilization. . . . Today in American civilization, health occupies a high place among accepted social values. As we emerge from the present depression and build up a surplus of income not necessary for mere subsistence, we shall do well to realize that we can invest this surplus in no better way than in the preservation of health. Our physical and mental health is perhaps the nation's greatest asset."

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The report presents the most authoritative recommendations, based on the most far reaching studies, ever offered to the American people on the subject of maintaining national health. These recommendations emphasize the importance of the care and prevention of sickness of the future being organized around the hospital to a far greater extent than at present. Thus, the necessity of maintaining hospital standards not alone because of the present emergency but in relation to the future welfare of the country is brought to us most emphatically. The essence of the majority report of the committee is summarized in a few broad recommendations, such as:

(1) The Committee recommends that medical service, both preventive and therapeutic, should be furnished largely by organized groups of physicians, dentists, nurses, pharmacists, and other associated personnel. Such groups should be organized, preferably around a hospital, for rendering complete home, office, and hospital care. The form of organization should encourage the maintenance of high standards and the development or preservation of a personal relation between patient and physician.

(2) The Committee recommends the extension of all basic public health services—whether provided by governmental or non-governmental agencies—so that they will be available to the entire population according to its needs. Primarily this extension requires increased financial support for official health departments and full-time trained health officers and members of their staffs whose tenure is dependent only upon professional and administrative competence.

(3) The Committee recommends that the costs of medical care be placed on a group payment basis, through the use of insurance, through the use of taxation, or through the use of both these methods. This is not meant to preclude the continuation of medical service provided on an individual fee basis for those who prefer the present method. Cash benefits, i.e., compensation for wage-loss due to illness, if and when provided, should be separate and distinct from medical services.

(4) The Committee recommends that the study, evaluation, and coördination of medical service be considered important functions for every state and local community, that agencies be formed to exercise these functions, and that the coördination of rural with urban services receive special attention.

Group practice as advocated here is now finely illustrated in operation in many of the outstanding hospitals of the country. Experiments in group insurance against the cost of hospitalized illness are now being made in a number of cities. In many of our smaller communities,

(*Continued on page* 59)

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The Motorist Afoot

By Georges Doriot

The sales tax as a way out has once again been proposed to Congress. Georges Doriot, Acting Dean of the Harvard School of Business, in collaboration with James W. Booth, magazine and newspaper writer, discusses the sales tax experiments of Mississippi and Pennsylvania.

ABOUT A YEAR AGO a pair of clever editors presented in a more or less sophisticated magazine an imposing array of analytical statistics, moral, hygienic, religious, educational, political, industrial, financial, etc., in an attempt to prove that Mississippi held an indisputable right to the doubtful distinction of being the "worst American state."

Proud Mississippians were prompt and vigorous with their protests. However, it now seems that the best answer to this affront to the old Magnolia State was unwittingly made by its Legislature with a bill which shows the way to a practical and equitable solution of the questions of budget balancing and unemployment relief. Mississippi was the first commonwealth of the Nation to adopt a simple general sales tax, which nobody escapes.

Despite dire forebodings of bankruptcies and predictions that business would flow out of the state, the new tax law is conceded to be successful and "painless" now that it has been in operation for more than six months. One of our largest and most powerful Eastern states recently took its cue from Mississippi and placed a general sales tax law on its statute books. About a dozen more states are contemplating similar measures as a way out of the general depression and the distressed conditions of state finances.

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Like virtually every other state in this period of depression, Mississippi had difficulties with its budget and with raising funds for unemployment relief. As in virtually every other state, some of Mississippi's legislators calculated to mace the motorists for sufficient funds to solve its financial problems. "Macing the motorist" is the legislative procedure of appropriating his gasoline taxes and his motor vehicle taxes for purposes other than those concerned with and related to the business of highway construction and upkeep.

For long the motorist has been held fair game by legislative bodies, submitting meekly to tax after tax, until now he is carrying quite a load. Of course, with the exception of the time when he must lay out cash in full for his annual state registration fee, for which the national average is about $14, the motorist does not become painfully aware of the heavy taxes he pays in the course of a year for the privilege of owning a vehicle that can no longer be classed as a luxury. The average motorist pays about twenty or thirty dollars a year in gasoline taxes, depending upon the state in which he lives, but he pays it only a few cents at a time and therefore, he "doesn't feel it." When he buys tires and accessories, the state and federal taxes usually are included in the retail price and are not visible; he is not impressed with the fact that he is paying a tax, which probably is good psychology from both the merchandising and political points of view.

But, the motorist is beginning to resent very strongly the fact that the law-makers are so prompt to single him out when new revenue is needed. In some cases the motorist feels that he is being used to support political bureaus in this time of depression in the same style to which they were accustomed when fickle Dame Prosperity was in resplendent full view at the proverbial "corner" about which we now hear so much. Still a bit timorously, but none the less certainly, the motorist is beginning to make himself heard when legislators shake him down to balance budgets, build schools, and provide doles.

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The motorist is beginning to ask, "Why not tax the fellow who buys grand pianos, dollar lunches, orchids, Sealyhams and miscellaneous knick-knacks?" Or, as Governor Mike Conner, of Mississippi, says, the motorist wants tax laws that will "make tax conscious those people who do not own property and who pay no taxes."

The most vigorous complaint to date against the diversion of motorists' revenue from the highway field has been in those states where such diversion was accomplished for the purpose of direct unemployment relief, which is polite political phraseology for the short and ugly word, "dole." Quite properly, the motorists in these states have said:

"Our taxes were originally intended for only one purpose—the building and the upkeep of roads. That is the only purpose for which our taxes can be used fairly and equitably. So used, they are now providing practical employment for many hundreds of thousands of men. When you take our taxes and use them as a dole for the unemployed you are simply throwing more men into the bread lines which you now can scarcely feed."

The fallacy of taking revenue that is now providing worth while employment of public benefit and giving it to those who are unemployed is so obviously and utterly absurd that one marvels how legislators—supposedly representative of thinking citizens—can contemplate such measures and even carry them into effect.

Rational, non-political investigation into contemporary practice of financing highway improvements will dis-

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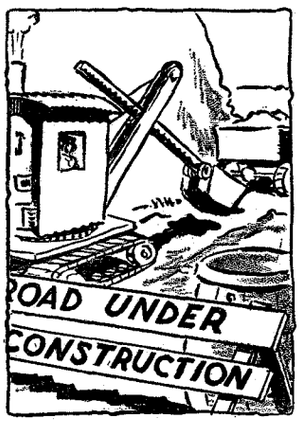

close factors that have a controlling effect in the equitable assessment of their costs. The facts vary slightly in the various states. But there is a uniformity of procedure. According to Roy W. Crum, director of the Highway Research Board, National Research Council, there is evidence of concurrence in the following principles:

1. Motor vehicle users should pay a fee to cover what is called, in public utility parlance, "readiness-to-serve." This represents the motorist's contribution to the capital investment, and is generally collected through license fees.

2. Motor vehicle users should also pay some amount based upon their use of the roads. This amount represents their share of the operating costs of the highways, and is universally collected through imposts on gasoline.

3. No part of the funds raised through license fees or gasoline taxes should be diverted to any other use than the construction, maintenance, and control of highways.

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These three general principles indicate a basis of policy for equitable assessment of highway costs and they represent the view of clear thinking taxpayers.

If politicians need funds for other reasons than road work and are incapable of analyzing their problems so as to determine the proper, justifiable source of the revenue, then they should call for expert unbiased advice and be guided by the recommendations of an advisory board. Raiding the gas tax revenues for funds other than highway work is an admission on their part that they do not understand the subject of political economy, a subject in which they profess to be proficient by the very act of their requesting votes for public office.

When the motoring public was presented with the problem of financing roads on which to drive their cars they agreeably accepted the gas tax as a fair measure of highway use. In general, this tax, more effectively than any other single method, meters highway service to the motor vehicle operator.

Funds for other purposes should be measured, or metered, by a method that is as effective as the gas tax method is for highway work but based on a source to be benefited by the funds to be raised. The sooner politicians become politic, the sooner will they realize the mistake of raiding the funds created by the one economically justifiable toll of the many imposts levied by governmental taxing bodies.

For a state to divert motor vehicle revenue from the highway field at this particular time is strangely inconsistent with that part of the Federal government's emergency relief legislation which made a special allotment of $120,000,000 to the several states for additional construction on the Federal highway system. The Federal government increased its normal annual highway-building allotment solely for the purpose of reducing unemployment. Thus, any state which diverts its own highway revenue for direct relief actually is helping to defeat the Federal efforts to create more jobs. Worse still, such a state is taking a decided step in the direction of the dole.

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As contrasted with certain unkind opinions of Mississippi, New York reputedly is one of our most sophisticated and most advanced states. Yet, New York last year made her motorists contribute something like $50,000,000 to the cause of budget balancing and unemployment relief. In the face of an enormously increased volume of unemployment early in the year, the Legislature of that state actually slashed its appropriations for public works and at the same time increased the gasoline tax, and the taxes on commercial vehicles.

The motorists of New York might not have resented this increase in taxation if they could have been assured that it would have been used to provide more and better roads for them. Speaking in behalf of the motorists, the New York State Construction Council pointed out that the diverted $50,000,000 would have supplied about 164,000,000 man hours of employment, or nearly three months employment for 250,000 men at fifty cents an hour. This is based on the authority of Thomas H. MacDonald, chief of the U. S. Bureau of Public Roads, who demonstrated before Congress that ninety-one per cent of the cost of first class road construction goes to labor—those employed on the job and those engaged in production, preparation and transportation of the materials and equipment entering into road construction. In these days of profitless industrial selling and building it would be no exaggeration to say that there have been many projects on which 100 cents out of every dollar went to wage earners.

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Stung almost to fury by this gross and illegal tax diversion in New York, the construction council, representing many and diversified interests, incorporated itself for the sole purpose of keeping informed on the Legislature and all those who are ambitious to become members of that body. With politics, creed, or color, this body will have no concern. But, the legislator, or candidate for public office, who does not pledge himself to keep motorists' revenue inviolate for the purpose to which it has been dedicated by statute will soon have the voters on his neck. The effectiveness with which this body can function has already been well demonstrated.

A few weeks after it was hurriedly organized, the council created a furor throughout the state of New York which resulted in 100,000 citizens storming the Governor with letters demanding that he recall the Legislature into special session for the sole purpose of restoring the diverted motor vehicle revenue. Legislative leaders were amazed—and some were angry. A number who had supported the diversion measure were prompt to give public assurance that they would redeem themselves if a special session were called. But for the exigencies of national politics in which the state of New York was much concerned, it is quite likely that the special session would have been called.

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The anti-diversionists, however, are confident that they will get a square deal in the New York Legislature from now on. Permanently organized, the council has gathered into its fold virtually every industry and organization that has a direct or indirect interest in automobiles and highways, and is prepared to give battle to any legislator or legislative session in New York that attempts to use the motorists' revenue for purposes unrelated to road building.

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The organization of this council marks the first comprehensive state movement that has been undertaken to protect the motorists from paying more than their fair share of the state and Federal tax burden. Similar councils have been organized in other states, particularly Pennsylvania. Speaking of this movement the Evening Public Ledger recently said editorially:

"There is the germ of a nation-wide movement in the New York State Construction Council's plan to put every candidate for the New York Legislature on record regarding his attitude toward the use of gasoline tax and motor license funds. The council wishes to establish a ten-year construction policy flexible enough to be expanded in depression times and held back in times of prosperity. The plan would be financed by revenue now being collected from motorists.

"But the essential point of this plan is that revenue collected from motorists would be safeguarded from raids for other purposes. * * *

"Special taxes on motorists as a class must be safeguarded from diversion, and if unorganized effort fails to protect them there will be organized effort."

Mississippi won high prestige in the eyes of motorists and economists when it decided against diversion of motorists' revenue as a means of budget balancing and unemployment relief. However, the fight in that state was not won without a struggle. There were many in the last session of the Legislature who were determined to make the motorists pay. The Governor, with small but enthusiastic support, was equally determined that there would be no diversion and that Mississippi's financial difficulties would be solved by a modest sales tax in which all would participate in accordance with their purchasing power.

In the face of angry opposition from organized business men and despite the editorial protests of virtually every important newspaper in the state, Mississippi adopted a two per cent sales tax law on virtually every commodity and service sold within the state. It was freely predicted that many small business men would go bankrupt as a result of the law; it was also freely predicted that much business would be driven from the state, particularly from towns near the border lines of other states that had no sales tax law. It was also claimed that the tax could not be collected or, at least, that it would not provide the amount of revenue estimated.

The tax has now been in effect for about eight months, and it seems quite evident that all of its opponents were hasty in their judgment of it. There have been no reports of resultant bankruptcies. No appreciable volume of business seems to have been driven from the state. Most important of all, the first returns have exceeded expectations. For the first four months the tax yielded nearly $702,000, or about $37,000 in excess of the estimated monthly yield of $166,000. The tax is expected to yield about $2,000,000 a year. In this connection it must be considered, too, that a large volume of Mississippi business is done in the fall months, when farmers make purchases and pay bills with proceeds from their cotton, corn and other crops. So, it may very well be that the tax will yield considerably more than was anticipated. Any surplus above $2,000,000 will go into the state's sinking fund.

The fact of the matter is that Mississippi's sales tax is now being upheld as a model and successful piece of legislation which places a nonerous burden upon no one and which fairly distributes the tax among all classes in direct proportion to their purchasing power. With the expectation of continuing this tax as an important revenue producer, the state tax commission is now making a survey to determine whether any revisions in the law may be necessary in the interest of some who may be feeling its effect unduly.

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The Legislature of Pennsylvania was called into special session last June for the sole and specific purpose of providing funds for unemployment relief. From the outset and up until a few days before the adjournment of a hectic eight weeks session, powerful efforts were made to halt or curtail highway construction and use motor vehicle revenue for direct relief. The situation in Pennsylvania was different from that in New York in that the opponents of diversion had anticipated such action and were well organized and well armed with ammunition that could not easily be dodged.

Replying to proposals that were made in the special legislative session, the Pennsylvania Construction Council cited many reasons why there could be no net benefit to the State by diverting gasoline taxes and motor license fees into direct unemployment relief channels. Among them were the following:

"Spent exclusively for highway construction and maintenance, this revenue now provides employment in Pennsylvania for a large army of men.

"In the form of well-built and well-maintained roads, this revenue provides a dividend-paying investment to the motorists and the general public.

"Money spent for highway construction and maintenance also insures employment for thousands of men in the basic industries that produce, prepare and transport the essential materials and accessories. Therefore, to divert any revenue from the highway field would further curtail production of basic materials, increase unemployment accordingly, and simply prolong the industrial depression.

"The original intention of the gasoline tax was to provide funds for highway construction and maintenance; and it is an

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economic axiom that they cannot be equitably used for any other purposes.

"There are upward of 100,000 miles of roads in Pennsylvania. Not even all of the 13,000 miles on the main state system have been surfaced. There are thousands of miles of important roads in Pennsylvania that are urgently in need of resurfacing and widening, and there are many state bridges that should be repaired or rebuilt. As long as such conditions exist, it would be unfair to labor, industry, and the general public to curtail the volume of employment that is making for efficient, safe and economical automobile operation."

Perhaps the most potent argument advanced by the Pennsylvania Construction Council was that upward of 180,000,000 man hours of employment at an average wage of fifty cents an hour are assured by the revenue which motorists pay into the state treasury.

Despite these forceful arguments and the persistent campaign of those opposed to diversion of motor revenue, the Legislature was twice on the verge of putting such legislation over. Each time it was stopped almost at the eleventh hour. Finally realizing the full strength and significance of the groups opposing such legislation, Pennsylania's law-makers turned their attention to a limited luxury tax—cigarettes, cosmetics and soft drinks. The indications were that taxes on these three commodities would have been as nearly popular as any tax may be expected to be popular. However, here again the Legislature tasted the strength of organized opposition, particularly so far as a tax on tobacco was concerned.

After nearly seven weeks of floundering, the Legislature manifestly was growing weary and sore under the prodding of the state press which accused the lawmakers of "loafing, dilly-dallying, drawing pay and playing politics with human misery while hundreds of thousands of persons were destitute and many on the verge of starvation."

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Then, in almost record time, the Legislature adopted an "I'll show you all" attitude and placed on the statute books of the Keystone state a one per cent general sales tax law. Thus, the Keystone of Republicanism vindicated the Democracy of Mississippi. The sales tax surely must have merit if states representative of both major political parties agree upon it. There was no public protest. In contrast with the press of Mississippi, the press of Pennsylvania lauded the sales tax and conceded that the Legislature had done its work well, even though a bit slowly.

The Democratic Philadelphia Record opposed the sales tax before and after its passage, which may or may not mean something. With this exception, every newspaper of any prominence in the state expressed approval.

Pennsylvania's sales tax is expected to yield $12,000,000; but unofficial estimates have it that it may yield twice that. The tax law will be in effect for only six months; but the indications are that it will be continued in lieu of other revenue-raising acts.

Except that it does not include the services of public utilities, Pennsylvania's sales tax is similar to that of Mississippi. With the exception of real estate and produce sold by farmers directly to consumers, all "tangible merchandise" sold at retail will be taxed at the rate of one cent on every dollar. Pennsylvania's act is perhaps the simpler of the two, particularly as to the method of collection. For example, retail merchants and vendors in Pennsylvania will make their return only once, at the end of the six-month period during which the tax will be in effect. In Mississippi, returns are made once a month by all those whose tax will amount to more than ten dollars monthly. Those whose tax is less may make their returns quarterly.

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However, so far as the attitude of the merchants and the effect upon the consumers is concerned, there is one very important difference between the tax in Mississippi and Pennsylvania. Beginning with twenty-five cent purchases, most of the merchants in Mississippi are adding on the tax and making the customers pay. There is little or no disposition on the part of the Mississippi merchants to "absorb" the tax.

In Pennsylvania the merchants may not tax their customers on purchases amounting to less than a dollar. Important to the customers is the fact that in virtually all cases the one per cent is being absorbed by the merchants. Hotel men and many other organizations formally decided to absorb the tax. As a result, the public of Pennsylvania is scarcely aware that a sales tax is in operation. It is generally understood that merchants doing a business in diversified products will endeavor to pay the tax by making slight adjustments in certain prices in order to compensate for their inability to pass the tax on to purchasers of items costing less than one dollar. Thus, a shirt that was once a bargain value at $1.95 may now cost $1.98. The purchaser will still get a bargain and never know he has paid a tax. In the main, Pennsylvanians become aware of the tax only when coslty single items, such as automobiles, electrical equipment, and similar articles are purchased.

Both in Pennsylvania and Mississippi collection of the sales tax will be accomplished at a minimum of expense by existing departments. In each state only a handful of clerks and field workers was added to the staffs already engaged in the routine work of the state agencies responsible for tax collections.

Now that Mississippi and Pennsylvania have pointed the way, it is believed that many of the State Legislatures which will convene in the next several months will give favorable consideration to sales taxes in efforts to solve unemployment relief problems and balance budgets. Nearly every state is confronted with one or both of these problems. There is considerable sentiment that some of the absolute necessaries of life—milk and bread, for example—should be exempted from this tax, and there is considerable argument in favor of such belief. On the whole, though, the general sales tax idea is sound and may be encouraged as legislation which will not discriminate against one class in favor of another.

One thing is becoming quite manifest and that is that the organized motorists and kindred groups interested in the conservation of motor revenue and other public money are now preparing in many states to advocate the general sales tax plan and to fight to the finish any and all attempts to divert gasoline taxes and motor vehicle revenue from the business of highway building and maintenance.

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A New National, or Huey Long, Issue

By Ray Perkins

SENATOR HUEY P. LONG,
WASHINGTON (AT LAST), D. C.
DEAR HUEY:

I am a young man of thirty summers, who looks older because there have been a lot of hard winters in between. I have followed your career with both interest and principle, and wish you would send me an autographed picture. I like pictures of waterfalls or girls' heads, but a good snapshot of a horse-race would do, as my grandfather was very fond of horses and once owned a filet named Mignon who made high steaks.

I see you've given up the governor racket to become a senatoreador, but hope you keep your eye on things in Louisiana, because I don't think the new guv is going to give us as many laughs. He'll need some good material and gags supplied to him if the program is going to draw as many listeners as it did when you were on it. Now that you're in Washington you're going to have some stiff competition yourself in the personal ballyhoo field, Huey old kid. Of course I realize you know a thing or three about putting yourself on the spot (and when I say spot I mean light) but some of those ballyhooligans in Congress are so expert as newspaper-space-grabber-offers they could give Daddy Browning and Bishop Cannon lessons.

The whole family here thoroughly enjoyed that statement of yours to the effect that multi-millionaires must be abolished in this country. I and Hoover figured the depression would rub out a lot of multi-millionaires but there are still plenty left and if you ask me they should be running around less instead of loose.

However, don't get me wrong, Huey, I don't believe in any prejudice against a man just because he happens to be a multi-millionaire. A lot of them can't help it. Some people just naturally get money whenever they're exposed to it. Some people are susceptible to things like hay fever or eczema while others are susceptible to money.

What you need now, Huey, is something to put you right out before the public once again. Something like that campaign you started a while back in favor of dunking corn pone in pot-likker. That got more space in the papers than a first class ace murder. I remember up our way (I "live," as they say, in New York—you Southerners may have never heard of it but it was once called New Amsterdam, remember?) nobody knew what pot-likker was, but we all like the sound of the last two syllables. That was about the time Mr. Hoover was going to put a chicken in each pot, but none of my friends even had a pot, so pot-likker was new to them. They thought it meant bathtub gin. It wasn't until I met a couple of old Southern mountaineers from South Brooklyn who do hillbillie songs on our radio station that I found out that pot-likker was an old Southern form of stew. We used to make a similar dish, a sort of pigeon stew—using stewl pigeons—down on my grandfather's farm in Southern Maine. Grandpop bred pigeons to make pigeon holes, and at one time supplied the entire executive branch of the government with pigeon holes to put important papers in. Of course nowdays the government has its pigeon holes made by the same system used to make holes in the national budget. They're making pigeon holes big enough now to put an entire farm relief bill in.

Speaking of bird life, why don't you sponsor a relief bill to provide crutches for lame ducks. Their shrieks of pain can be heard from North Duckota to Kenducky, and there's enough quackery going on around the Capitol as it is. Anybody knows that poultry with a limp can't quack wise.

If you want another idea like that dunking gag, I've got one you can use, and I don't ask a single thing in return unless perhaps you want to make me a senatorial clerk at $3,500 a year. I could use a job like that especially since I wouldn't have to be in Washington to draw the salary.

My idea is boost Scropping instead of Dunking. Scropping is the process of scraping or sopping up gravy off a plate with a wad of bread. It's a lot more sporting than dunking, because you're more liable to slip. It's cleaner too inasmuch as the gravy doesn't run up your sleeve the way coffee does from a doughnut or pot-likker from corn pone. In dunking the motion is up and down, or as my old physics prof (the dirty double crosser) used to say "Vertical." Scropping calls for a semi-circle, or quasi-rotating, movement involving a far greater muscular facility. (How's that for a hunk of language, Huey, old kid?)

You could make scropping a national issue to your own everlasting fame and the greater glory of Louisiana. I would be glad to assist you any time by demonstrating the art of uniting bread with gravy before any audience you choose. I wouldn't advise trying it, however, before either the Senate or the House, because they'd want all the gravy.

Admiringly yours,

RAY PERKINS.

P. S.—I just thought up a pun on your first name, but I guess you've heard it before eh? Ha, ha, ha!

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Economic War Reports

Compiled by Edward H. Collins

American Sector

It was clearly too much to have hoped that December 15, the date for the resumption of payments on the inter-governmental debts, could be negotiated without untoward incidents. For ten years these debt transfers had been accomplished painlessly, because they had been made under an anesthetic. So long as Germany paid reparations, the Allied nations did not feel the burden; and Germany, in turn, was able to continue paying reparations so long as we lent her the money. With the expiration of the Hoover moratorium the debt question as between the Allied nations and ourselves became for the first time in a decade a real, and not an academic issue. And the few short weeks that intervened between the Election—when the taboo on debt discussion was lifted—and mid-December proved, as they were almost sure to prove, much too brief a period in which to settle a problem on which the interested nations felt so strongly, and even so bitterly. England chose to pay us what was due in December, but her beau geste in shipping us 95,500,000,000 gold dollars, rather than take advantage of the numerous easier ways that were open to her, left no room for doubt as to how she felt about it; the French, unlike the British, let their moral indignation get the better of their judgment and chose not to pay. However, that episode should not be regarded as calamitous; indeed, to the extent that it has served to dramatize the problem here and elsewhere, it may prove to have been a blessing in disguise. Moreover, it must be borne in mind that the French Chamber did not vote to repudiate its debt to us; it voted merely to defer payment. For those who have adhered to the realistic view that nothing definite could be accomplished before next spring, the events of December 15 would seem to have left the fundamentals of the debt problem unchanged.

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German Front

Predictions by disinterested foreign observers that the von Papen "economic program" would not work out have been justified by events of recent weeks. The von Papen program scheme was comparable with the early Hoover program in this country, depending for success on an early upturn in business. In this respect it contrasted with the realistic program of former Chancellor Bruening, just as the more recent Hoover policy, based on rigid economy and an all-round tightening of the belt, contrasted with that launched here right after the 1929 stock market collapse. The failure of the von Papen scheme to revive industry by Government subsidy was proclaimed in effect by Dr. Hans Luther, president of the Reichsbank, when the latter urged that the funds set aside for wage bounties be diverted to self sustaining public works. Against the 1,750,000 men that the bounty plan was supposed to put to work, labor unions report only 42,000 re-employed as a result of it. That part of the plan where under $375,000,000 was given to industry on the assumption that it would stimulate production and employment has also broken down. Instead of using the funds to increase production, industry has used them to pay bank debts or increase liquidity.

British Front

The British Empire has instituted its plan of fighting fire with fire—tariff with tariff. Aiming to strike at the tariff policies of other nations, British and the leading Dominions first adopted the Ottawa agreements, affecting, in the case of the United Kingdom, Canada and the United States, some $150,000,000 in trade. The London Chamber of Commerce, seeking further to rebuild British trade and to draw together in common purpose under British leadership the thirty-five countries now imposing exchange restrictions, is now advocating a system of barter. Tariffs and the depreciation in the pound sterling have combined to give Britain an advantage in world markets at the expense of other countries. The iron and steel industry is competing more successfully abroad, and British textiles are more active. The gauge of Britain's success in finding new markets is to be found in the foreign trade figures. In the first eleven months exports and re-exports declined only 8.7 per cent, while imports dropped 18.2 per cent, and the adverse visible trade balance was £107,000,000 less than a year ago. Exports in November showed an unseasonal increase over October, yet in the month ended November 21 unemployment increased 52,800. British financial policy has worked a hardship on South Africa, which is reluctant to forsake gold because of its mining interests, but it has proved a boon for India, whose favorable balance has increased two and a half times.

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French Front

Strengthened artificially since the depression began by the repatriation of French foreign balances, the French franc has lately shown the inherent weakness of the nation's

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foreign trade position by falling to a new low for the year. It was French withdrawals from Vienna which touched off the collapse of the Credit Anstalt a year and a half ago, leading ultimately to the freezing of credits in Germany, the departure of sterling from the gold standard and the record breaking "run" on the gold reserves of the United States. France's power to upset the exchange and finances of other countries, however, has recently been lost. Meanwhile, the government has given to Parliament a budget estimate lower than the previous year's for the first time since 1904, while the budget deficit is now calculated at 12,000,000,000 francs, a new record. The government has introduced a bill which would guarantee the French portion of 100,000,000 schillings of the promised international loan of 300,000,000 schillings to Austria. There is, however, no prospect of an early issue of the loan.

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Russian Sector

The first Five-Year Plan (Piatiletka) came to an end at midnight December 31; a second began at that time. Taking the production of pig iron, steel, and coal as an index to the record of the heavy industries, it appears that approximately 70 per cent of the revised program for 1932 has been realized. Compared with the original program, worked out in 1928, production in 1932 has amounted to about 80 per cent of expectations, but it has been substantially less than Soviet authorities had hoped it would be when they revised their schedules enthusiastically upward in 1929. At that time they believed they could encompass their original plan in four years and three months instead of five years. A study of the results of production indicates that transportation is still the weakest link in the Soviet economic system. Conversations have recently taken place looking to a Franco-Russian trade agreement, but no common basis has yet been established. France demands, as a condition of such an agreement, the repayment of a substantial portion of the 15,000,000,000 franc French loans to Russia, disavowed by the Soviet Union. The Soviet has offered to repay about one-fourth in return for the opening up of substantial French credits, but this proposal France has refused. Meanwhile, British-Russian trade negotiations are at a standstill. Following the Ottawa Conference, England denounced its existing agreement with Russia. It is still waiting for the Soviet to make a proposal for a new agreement, but this the Soviet has shown thus far no disposition to do.

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Italian Front

The currents set up in world trade flow in good part from the reversal of Great Britain's stable currency and free trade position. A counter defense to the British program is being threatened by the Italian government. The reciprocal preferences recently established between England and the chief Dominions have a potentially unfavorable influence on more than 300,000,000, lire (about $15,000,000) of Italy's foreign trade, and the Mussolini government is considering economic reprisals. Whatever international advantage was to be obtained through strict upholding of contractual obligations was not overlooked by Italy, which never sought postponement of the $1,245,347 debt payment to the United States and announced first of all the debtors its intention to pay. In the first ten months, during a period of unprecedented trade difficulty, Italy has steadily improved its foreign trade figures, and in October an export balance of nearly $2,000,000 occurred. Increases in foreign trade turnover were recorded in August, September and October, and for the Italian farmers' contribution toward the country's improved trade balance, Premier Mussolini distributed, early in December, $100,000 in prizes and words of high praise.

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Lesser Europe

The upwelling of nationalistic spirit in Spain, already in evidence in the high tariff barriers and in the effort to build up the nation's farm industry, has taken the form more lately of an attempt to annul the government's contract with a subsidiary of International Telephone & Telegraph, an American concern. The United States government protested strongly, as did the British government when Persia announced it had cancelled Anglo-Persian Oil's concession; but Spain and Persia have tried to join in the world movement of having as little traffic as possible with foreign nations and keeping home markets inviolate for one's nationals. Holland has lived more to itself in the first ten months of the year, as the reduction of 100,000,000 guilders ($40,000,000) in the import surplus indicates. Short of foreign exchange by the slump in world trade, Greece has defaulted in the payment of $440,000 service on the 1929 loan of $12,000,000 from the United States, while two American contracting firms reclaiming land in Northern Greece have filed claim against the government for $402,500, which they claim is overdue. The Cabinet of Finland is seeking a year's moratorium for the Mortgage Bank, which owes about $10,000,000 in the United States.

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Latin American Fronts

If we view our relations with Spanish-speaking America over a long perspective, much the most important event of the past month has been the State Department's vigorous stand in defense of the American telephone concession in Spain. American investors have a huge stake in South American mining, cable, telephone and electric concessions. The temper of those countries has become increasingly anti-foreign as their morale has been strained by years of acute economic distress, and their inclination to abuse foreign property rights has unfortunately in some cases been strong. Owing to racial and cultural affinities, South America has always followed political developments in Spain with close attention, and their newspapers carry specially extensive correspondence service from Madrid. Had the cancellation of the Spanish telephone concession been allowed to take place unopposed, the ultimate effects throughout South America might have been very grave. In insisting on a square deal in Spain, our Government was indirectly defending for greater rights of American enterprises elsewhere, and setting an important precedent. It is a sign of the times that England, the other great creditor power, finds herself involved simultaneously in a similar controversy with Persia, involving in her case oil well rights.

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Don't Shoot, Stranger!

By Michael Tait

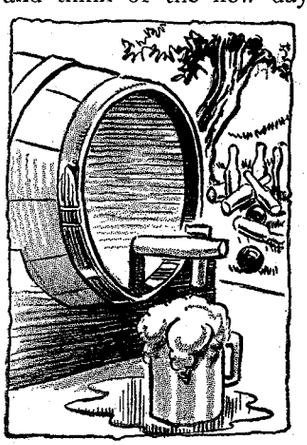
The Federal deficit approaches the billion dollar mark. A duty of the present Congress is to fashion a tax bill to eliminate this deficit. Michael Tait, former Washington correspondent, tells how Congress traditionally goes about this task.

THE OPEN SEASON for taking pot-shots at Congress is on. Of course, only lame ducks will be bagged from now until March 4, but it's great fun anyway. In fact, next to bridge, it is the great American indoor sport.

If one were guided solely by the day's run of news when the House and Senate are in session, this Congress-baiting business would be wholly understandable. What the average man reads when he opens his paper is a tale of indecision and imbecility cast against a somber and momentous background. The show scares him. He thinks nothing will be done; that it will be just talk and nonsense leaving him holding the bag. It is all very theatrical and meaningless on the surface. Unlike the theater, the real show is backstage. That is what the newspapers do not always present, for to your Washington correspondent the routine of committee and conference is an old story. Bored, he would rather write about the startling, the unusual on the "man-bite-dog" theory that it constitutes news.

Congress is a strange and cantankerous critter which bears study. In fact, there oughta be a law forcing every bleating business man to find out what makes the House and Senate tick. He need not go far for an explanation. Let him examine himself and his next-door neighbor and he will get the picture. He will see on introspection that, no matter how many wild dreams he may indulge privately, when it comes to final action, his feet are on the ground. Congress is just 500 or more average men and women. They dream dreams, indulge in flights of oratory, waste time and annoy their friends. In the end, they, too, come down to earth and let common sense rule.

In brief, Congress is America with all its virtues and shortcomings. As a young nation we like to talk big and think of the new day when all will be beer and skittles. That is a pleasant way to pass a few hours but it gets nowhere in particular. Our accomplishments prove that Americans are essentially sensible even though the land is dotted with so-and-so's "folly." It is the common sense of the average man which finally wins. And that common sense in the end governs Congress after sufficient noise has been made for home consumption and as an outlet for every man's Utopia. Legal follies appear here and there but the general run of laws is both useful and sound.



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But all this show, all this talk annoys the ordinary business or professional man no end. He sees Congress apparently fiddling while Rome burns. He sees precious hours consumed in superfluous debate with a budget badly in need of balancing to keep United States bonds from joining Bolivia's in the cellar. It appears to be a waste of his hard earned dollars and the dollars he hopes to accumulate when times get better. He should remember, however, that behind this show of evasion and inanity sound measures are being formed by the guiding force of mass common sense.

Because it touches all of us in a most vital spot—the pocket-book—a study of the devious and noisy course of a Tax Bill through Congress should help one to understand its functions. This measure always comes in like a lion and goes out like a lamb. This is not a hastily regarded statement but is borne out by a careful study of the antics of Congress in its periodic orgy of raising funds. The "soak-the-rich" and "wring-the-poor" movements are discarded finally for a more equable measure. Thus the cold chills experienced by business men when confiscatory taxes are being debated prove to be about as important as a child's bad dream.

In other words, Americans should remember there are 435 members of the House and 96 of the Senate, each with a varying shade of opinion which must be brought to one mind in a comparatively short period. That this is not an easy task, members of a household debating a Sunday outing will admit. The vast panorama of American life, compounded of the bloods of a hundred nations, meets there in deliberation. It should be no wonder that sharp differences arise. The wonder is, after viewing the scene closely, that such sanity and achievement do result.

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It must always be remembered that our form of government is democratic, which is to say slow. This must be stressed at the risk of becoming boring. Too often business men accustomed to rapid decisions and snappy execution forget that they are autocrats in their offices. Democracy is slow because it reflects the composite desires of a people with a myriad of wants. Its duty at least is to attempt to plot a course just to all. This sluggishness is one of the penalties we pay for freedom from social and political dictatorship. Unless we wish to discard it for some other form, it would be far better for business and finance to understand and be patient than to chafe at every hesitant move of their government. Past experience has shown the United States, at least, that the benefits of the American system far out-

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weigh the irritating indecision of its creative periods.

Watching the gyrations of the Tax Bill, then, in its dance through Congress which starts as a rhumba and ends as a waltz should drive away the cares of business men and at the same time instruct them in the sort of government they must deal with. It is far better to know all about it and shape plans accordingly than to batter one's head against the wall blindly and hurt only the head, not the system.

The Tax Bill is the pet child of the powerful Ways and Means Committee which is ruled by old heads whose youthful indiscretions are past history. Undoubtedly they lack the snap of youth but they do know all the holes in the ice.

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Having watched the conflict over one of these bills, it remains amazing how the committee is able to accomplish anything. The committee is a mere handful. How the struggling horde in Congress gets things done must be doubly amazing. When the committee starts work, the President throws the budget in its cauldron. The total needs of the government set forth in it reach proportions of interstellar space. Then the Treasury's bright young men toss in a tax program, conceived in the sheltered confines of the somber pile next to the White House. From this mixture, the committee must brew a concoction pleasant both to the electorate and to the government's creditors who want a balanced budget.

The budget is conceived in politics. It seeks to retain as many dollars, which is to say jobs, as the taxpayer will bear. From a study of past Tax Bills, it would seem that the Treasury knew very little about its own business. Its estimates of revenue have been notoriously wrong. Right now, the deficit is well on its way to the billion-dollar mark with the prospect of a deficiency of $1,500,000,000 by next June. We were assured by Secretary Mills that taxes voted last Spring would balance the budget.

Mr. Mills, due to the depression, has had a chance to err only on the short side. At the end of the first fiscal year during his regime there was an ordinary deficit of almost three billions. This did not take into account extraordinary expenditures such as those for the Reconstruction Finance Corporation. His predecessor, Ambassador Mellon, was wrong both ways. He ranged from a surplus of $636,000,000 to a deficit of $903,000,000.

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All these Treasury errors, in the public mind, are attributed to the blundering of Congress just as is budgetary greed and the fact that such items as the debt service, pensions, etc., cannot be reduced one jot. Whatever the errors of the House and Senate are, these are not among them. In fact, Congress usually gives the President pretty much what he wants.

With this jumble of figures before it, the Ways and Means Committee calls hearings. Instantly, the House Office Building swarms with a horde of waiting lobbyists. Big industry is represented by learned counsel. The farmer has a home-spun fellow on the spot but he knows his way around despite his rural exterior. Labor, ship owners, railroads, bankers—all have a wire in the proceedings ready at a moment to "mobilize public opinion" against any section of the bill which threatens to add to their tax burden. The process is a battle of negatives with the committee attempting to strike an average. With the complex fractions involved, sometimes a startling common denominator emerges. Nevertheless, it is a common denominator—generally fair to all.

This gaudy show is all part of the game and should not be regarded too seriously. The hearings, it would seem, are held merely to assuage the feelings of those about to be tapped for just a little more to meet the ever-mounting needs of the government.

The bill, slashed here, patched there and added to on the next page emerges on an expectant House. Instantly it is pounced upon by Representatives who up to now have not joined in the party. More startling amendments are offered. Business and financial circles are stirred anew. For instance, several years ago a duly elected member from Texas offered a proposal to tax American girls who married into the foreign nobility. He wanted to keep American dollars for the boys back home, he explained. It died a natural death, as it should, but meanwhile created quite a flurry in certain society circles. These proposals from the floor, then, are often merely ridiculous, although sometimes they are serious.

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Where the party leadership is strong and either the Democrats or Republicans enjoy a real working majority, the country can go ahead assured the Committee bill will go through the House without serious change. Until the recent Democratic landslide, which placed both houses firmly in control of the incoming administration, this control has been exceedingly uncertain for years. Naturally, it might be supposed that one house or the other might stampede with a bill and enact some measure detrimental to business and industry. But this was not the case. The business man might say it was just luck. It was not. It was only democracy at work again with its series of checks and balances which make always for a middle of the road course.

At the last session of Congress the House bolted on the Sales Tax, which has been offered them again. Most members felt it would spell political suicide to vote for it. The measure was therefor represented to the country as an attempt to shift the burden of supporting the government from the shoulders of the rich to those of the common people. So the House bolted. And where did it bolt to? Right to the Sales Tax, only it was not called that. Instead of enacting a general tax on all manufactured articles, specific items were singled out. The names was different but the substance was the same. Astute observers at the time said the House never would pass a sales tax under that name but that it would pass a tax on sales. It did.

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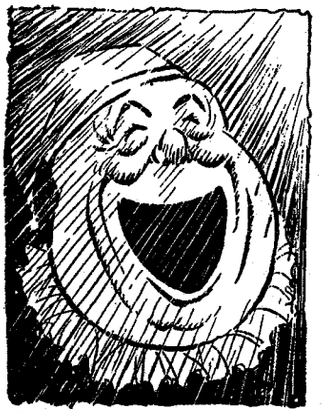

To See or Not to See

By Cy Caldwell

Biography

Comedy by S. N. Behrman presented by the Theatre Guild at the Guild Theatre

Biography gaily tells the story of the young lady painter who is equally famous for the celebrity of her sitters and the merry liberality of her sex life. Commissioned by a magazine editor to write the story of her diverting career as a big laissez-faire girl, she must begin at the beginning with her first big moment, her first companion on the pleasant road to ruin, now on his dignified way to be elected to the United States Senate to represent his constituents in Tennessee. En route to this august political destination, the former amorous lad, now stodgily sedate, drops in at the gay lady's studio, learns of the immortalization in print that awaits him, and the political ruin that may encompass him, and— But you must see it for yourself; you mustn't miss this delightfully adult play of high comedy, of high good humor. Ina Claire is perfection, Earl Larimore is excellently fervent, and the rest of the cast is very, very good. Philip Moeller is to be congratulated for his direction, and Jo Mielzener for his setting. Everyone and everything is just right. If we had more plays like this (and more gay ladies like the heroine) what a wonderful old world this would be!

Autumn Crocus

A play by C. L. Anthony Presented by Lee Shubert at the Morosco Theatre

An English school teacher, a timid virgin of 35 (virginity absolutely guaranteed by the playwright) spends one night at an inn of the Austrian Tyrol, falls in love with the inn-keeper, learns that he is married, and flutteringly moves on by bus. Her virginity is still guaranteed. The entire audience guarantees it now. All of which makes for a pleasant, restful, but undoubtedly tame evening in the theatre. An evening, we'll say, of quiet and resigned frustration, not without its measure of charm for wistful maiden ladies, old folks with high blood pressure, and such baffled characters as Vice-presidents. But for big rough men who like their steaks rare, this tender little crumpet is hardly nourishing. Which is not to condemn it; there are many vegetarians. I enjoyed the characterization of the young inn-keeper by Francis Lederer, who is either a very fine actor or an expert at projecting his own jaunty personality across the footlights, which is something else again. Patricia Collinge (now replaced by Dorothy Gish) and Eda Heinemann were excellent and the rest of the cast gave individually good performances which had practically nothing to do with the play itself. In fact, the little vehicle only has room for the lover, the delicate maiden, and the protesting chaperon; it's a sort of baby Austin among plays with the others of the cast following in cars of their own.

Moral Fabric

Play by G. N. Albyn Produced by the Playwrights' Guild at the Provincetown Theatre

In the second act one of the unfortunate actors remarked, "I hope you know your next move. It looks complicated to me." My next move was simple and straightforward enough: it was in the direction of the Subway.

Success Story

Play by John Howard Lawson presented by the Group Theatre at Maxine Elliott's Theatre

Success Story depicts the startling rise and melodramatic end of Sol Ginsberg, embittered radical of New York's Ghetto, who worms his way into control of an advertising business by thrusting aside or trampling over everyone who stands in his way, including his boss and his sweetheart. He brings misery to all, happiness to none, least of all to himself. He is an individual Russian revolution in three acts, symbol of the social revolution that has been in progress since the world began but that today is more noticeable because more publicized. (Napoleon was only a better known and more devastating Sol Ginsberg.) Dejectory in matter, rushing and jerky in manner, the play is written and acted with a tremendous vehemence and sincerity. Less for its own sake than for the splendid acting of Luther and Stella Adler, Success Story is worth seeing.

The Dubarry

Rejuvenated operetta by Carl Millocker produced by Mrs. Tillie Leblang in association with Morris Green at the Geo. M. Cohan Theatre

In an extravagantly gorgeous production, Miss Grace Moore, by courtesy of the Metropolitan Opera Company, avails herself of the opportunity to disprove the well founded belief that actors can't sing, and opera singers can't act. Miss Moore can and does sing and act superbly. If the Dubarry was anything like the wonderful creature Miss Moore makes her out to be, then all I can say for Louis XV is that he showed an excellent judgment of values when he chucked up affairs of state and went in for dignified Royal Whoopee in the hoop-skirt period. Thanks to Grace Moore, and to beautiful settings and costumes by Vincente Minnelli, this old-fashioned operetta is a thing to entrance the ear and please the eye for most of the time. That it does not always measure up to your standards of good taste is the fault of the libretto which in spots breaks out in mouldy innuendo and off-color comedy that must have been well-worn when the sewers of Paris were new.

Firebird

Play by Lajos Zilahy presented by Gilbert Miller at the Empire Theatre

An urbane and dignified mystery play is Firebird, distinguished by the vivid acting of Judith Anderson, the suave performance of Henry Stephenson, the admirably restrained characterization of Montagu Love, and the poignant skill of Elizabeth Young. Perfectly staged and directed by Gilbert Miller, with flawless settings by Aline Bernstein, Firebird is more to be admired for the distinguished manner in which it is presented than for the mystery that it unfolds. This puzzle concerns the question of who killed an actor, and as Charles Butterworth remarks in Flying Colors, it's hard to get excited about that. In fact, there is very little excitement in this fairly transparent mystery that even New York's Nassau County cops should be able to fathom without beating up all of the suspects, which I understand is their invariable type of detective procedure when solving murders.

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Flying Colors

Revue by Howard Dietz and Arthur Schwartz presented by Max Gordon at the Imperial Theatre

Flying Colors has everything but speed. It has clever sketches packed with clean good humor, smoothly beautiful dance numbers, and a chorus that can sing. It has Clifton Webb with his dancing feet, fastidious comedy manner and sartorial perfections; Charles Butterworth with his incomparable dead-pan comedy; Tamara Geva whose lithesome dancing is as beautiful as herself; and Patsy Kelly the merry madcap whose performance as a departing voyager is a riot of good rough fun. It has all of these delightful features in scenes of genuine loveliness designed and lighted by Norman Bel Geddes; and yet, perhaps because of the coolly quiet perfection of the comedy and the dancing, possibly because of the sombre magic of the lighting in the ensemble singing and dancing scenes, Flying Colors doesn't quite lift you out of yourself as you feel that it should with its many excellencies. Never does it fall into spontaneity; it picks its steps. Perhaps it is more stylish, more restrained, more nearly polished perfection than it is permissible for a revue to be and really click with life and the ragged mood of imperfect human beings. Of course you should see it, though you may join me in wishing that it would let its hair down and kick up its heels a bit.

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Walk A Little Faster

Revue presented by Courtney Burr at the St. James Theatre

I, for one, wished that it did Walk A Little Faster, because it lags in spite of Beatrice Lillie's glorious buffoonery, Bobby Clark's gay and nimble capers, and a smart chorus of Albertina Rasch's fair young ladies. There is lack of variety in staging and direction, absence of inspiration in the music and sketches, none of which permit Mr. Clark to appear at his rollicking knockabout best. He is as funny as his material merits, but if it was brighter and allowed him to skip about, Miss Lillie (Lady Peel to you) wouldn't walk off with the show as she so merrily does. It's a good revue that should be much better. The production as a whole lacks the breadth and depth that a more generous use of the stage and the agile dancing girls would supply. This deficiency throws not only the dull routine song and dance numbers but also the sketches of merit into a shallow prominence reminiscent of old-time vaudeville. After all, who wants the greater part of a revue played right in his lap? I got the impression that for much of the time the Rasch girls must be doubling in brass somewhere down the street.

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George White's Music Hall Varieties

Presented at the Casino Theatre

George White goes into deep mourning for the dear old days of lavish stage settings and expresses his mood with the largest expanse of black drapes that ever have wrapped my soul in gloom. Against this doleful background Harry Richman sings and lisps, Lili Damita walks on and walks off, and the Loomis Sisters do some of that female harmonizing long since rendered nauseous by the repetitiousness of radio. I could have traded the lot for a couple of bright scenes, even if it had been second-hand scenery. But cheer up! There are the "50 George White Dancing Beauties," whom I counted as 32, and they really are beautiful; there is tap-dancing Eleanor Powell, giddily whirling Vivian Fay, and finally there is the remaining four fifths of the show, the really comic sputtering Bert Lahr. At a $2.50 top (and a mere 50 cents in the only part of the theatre I inhabited when a lad) the show is worth your money. I figure $2.00 for Mr. Lahr and 50 cents for the rest of the performance. I throw in the black drapes for nothing.

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Gay Divorce

Farce, with music and lyrics by Cole Porter. Book by Dwight Taylor. Presented by Dwight Deere Wiman and Tom Weatherly at the Ethel Barrymore Theatre

This pleasant little confection has the hybrid's unescapable handicap of too much talking and too little singing and dancing to be a good musical comedy; but enough singing and dancing to divert your interest from the plot of a farce. It comes of trying to put on a musical comedy with only four scenes and twelve chorus girls—the sort of thing Calvin Coolidge might suggest if he became Earl Carroll's business partner. However, if you can attune your mind to this mongrel type of entertainment, Gay Divorce is a good specimen of its kind. It has jolly, if undistinguished tunes, wit in many spots and monotony in not a few, the best of dancing but not nearly enough of it; Miss Claire Luce in all her supple loveliness, Eric Blore and Miss Betty Starbuck being very good, and Miss Luella Gear whose satirical comedy manner is a delight. The star, who does not rate the billing for his work in this production, is lean lantern-jawed Fred Astaire, in appearance about half way between Jimmie Walker and Ichabod Crane. When he's dancing he's something to watch and to applaud, but when he is wrinkling his forehead, twisting his mouth, and speaking lines you realize that nearly all of his personality is in his feet and that he's just another very good hoofer with illusions.

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Take A Chance

Musical comedy by Laurence Schwab and B. G. DeSylva presented by them at the Apollo Theatre

Delightfully, blithely, mischievously but never offensively naughty, Take A Chance is by long odds the happiest and fastest paced musical diversion in New York. Ethel Merman singing Eadie Was A Lady strikes the all-time high note for ironic lamentations; Jack Haley and Sid Silvers break all the rib-tickling records in that grand historical burlesque, Daniel Boone's Defense; Mitzi Mayfair's nifty dancing is as graceful and swift as the flight of a humming bird; and June Knight and Jack Whiting who handle the unobtrusive love interest couldn't be better. The ladies of the chorus are beautiful and agile; the music by Herb Brown Nacio and Richard Whiting with additional songs by Vincent Youmans is gay and tuneful; and the settings by Cleon Throckmorton make a pleasing background for this jolly treat for eye and ear. Take my word for it, Take A Chance is just a grand show. If you see it and don't enjoy it, that's your cue to hie straightway to the operating table to have your disposition lifted.

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A Farewell to Arms

Paramount

This tragic war romance is a poignant, stirring and emotionally satisfying photoplay, bravely produced, brilliantly acted, done throughout after the best cinematic sentimental manner, and after the heroine's death ending to the strains of the Liebestod from Tristan and Isolde riding above a clamorous outburst of cheering for the armistice. Considered as a photoplay, it is beautiful, deeply moving. Helen Hayes is magnificent; Gary Cooper and Adolphe Menjou are excellent; the photography and settings have artistic merit; and the direction of Frank Borzage is able, though the film jumps rather too quickly from one episode to another, impairing the continuity of dramatic movement. As a picturization of the novel by Ernest Hemingway, the photoplay fairly may be regarded as an admirable Hollywood war romance built accurately enough on the skeletal structure of the novel, using but little of the essential soul of that stark record. The cynical Lieut. Henry of the novel becomes the standard American officer hero of the movies; the note of utter hopelessness that ends the book becomes in the film a thing of music and light and blossoms; and the ironic implications of the retreat from the Piave are drowned by cheers over Austria's eventual capitulation, in deference to the nationalistic feelings of Mr. Mussolini's rejuvenated Romans. A Farewell to Arms by Ernest Hemingway still remains to be pictured.

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The Sign of the Cross

Paramount

The great Cecil B. DeMille, Emperor of pomp and pageantry, tosses dozens of early Paramount martyrs to the lions in a superb picturization of Wilson Barrett's old-fashioned religious play. Perfect direction, vast settings, beautiful photography, competent acting make this gaudy Roman holiday a thing to see. It is gigantic, cruel, horrifying, brutal; armoured gladiators battle clangorously to the death; Amazon women impale pygmies on spears, hold them aloft for all to observe; beautiful flower-garlanded girls are tied to posts and apparently saved from impending doom by the censor; and Roman soldiers shoot arrows into helpless Christians from Aimee MacPherson's tabernacle, unfortunately missing Bishop Cannon who doesn't appear in the cast. In short, here is the cinema at its glittering, barbaric, expansive, spectacular and somewhat unbelievable best. Possibly the cruel old Romans have been out-Romaned a bit. I wouldn't be surprised. After all, they lacked a DeMille. All they had was Nero.

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As Others See Us

"Critics are the eunuchs of art; they talk about what they cannot do."—Vladimir de Pachmann.

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COLLEGE YOUTH DISCUSSES ITSELF

Machine Age Education

By Ben Belitt
University of Virginia.

Education for the average student engages Ben Belitt, of the University of Virginia, author of the final article of the series in which college youth discusses itself.

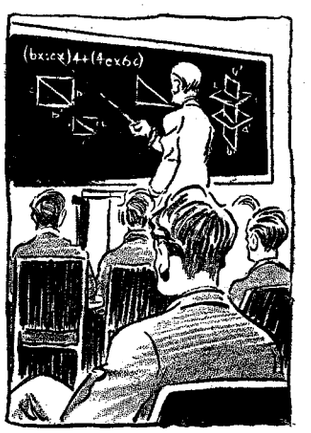
THOSE WHO HAVE CRITICIZED the machinery of higher education most roundly have not wished to sound out the opinion of youth on the matter in any but a passive and desultory fashion. It is, in part, proof of their academic insularity and misdirection that they considered the question one upon which young people were incapable of forming a genuinely advised judgment. Until his elders could thrash their way to some solution, the young man was expected to stand respectfully aside, with the assurance that he would be properly done by, in the end.

Meanwhile, much captious and ineffectual ink has been expended in the business of diagnosing, of weighing and measuring and splitting polemical hairs. Yet for all the impressive clatter of yardsticks, the cutting and snipping away of fine cloths, the emperors of higher learning are, like the king in the fairy story, left without a stitch to their backs. Indeed, it would tax the metaphysic of a Plato to trace out, in the plain light of common sense, the contour of one tangible achievement, one generally practicable result, in the array of sentimental regrets and incongruous theories which go to make up the emperor's new wardrobe. Far from fitting their patterns to the shape of present difficulties, arbiters of Culture have for the most part derived a childlike pleasure from dressing themselves in the togas of an archaic civilization and stirring about in tragic masks too big for them by several sizes.

Obviously, much of the current sound and fury regarding the alleged dilemma of higher education rises from a mistaken inference on the part of its critics. It should be neither mystifying nor discouraging that most of the criticism leveled against the American university has, up to the present, sounded a note of absolute despair, or absolute derision, and been productive of no durable results. Without exception, all of its critics have begun with the fatuously paternalistic thesis that the young man must be fitted to a "System," must be forced to digest his intellectual vitamines because it was good for his health, to sample the arts and letters along with the sciences, because it was good for his culture. If the diet proved to be entirely beyond his powers of assimilation, he was comforted with the blithe assurance that he would live to thank his preceptors; and that, in any case, he had best leave such concerns for those who were better qualified to cope with them.

Against such ingratiating sophistry, youth has no answer, and only very limited patience. It flatters the egoism of the older ones to believe they have learned what is termed the essential truths in experience's dear school; but in point of fact they have learned little except conformity and the ability to deceive themselves to their own ends. In the same way, it flatters the egoism of the young to believe that they are wholly qualified to determine what they want and what they mean to have, where their interests begin and where they definitely and defiantly cease.

Youth in the end will live its own life, cleave to its own ideals, and the wise educator must, for all practical purposes, guide the scalpel of reform with some attempt to understand, and some respect for, the objectives and interests of the young. He must direct his criticism into such channels as will most tangibly reconcile his own theories of higher education with the actualities of the world in which, at the close of his formal education, the young graduate will find himself set adrift. He must, as far as possible, pattern the institution to the man, who, in the natural order of things, it followed. And, since the institution is primarily a servant of the many, the many must be given preference over the exceptional or the few, and must suggest what direction any line of reform shall take.



Critics of higher education cannot, in drafting their charges of incompetency, afford to lose sight of the objectives which the public college is forced to take into

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consideration. Nor may the critic, without such an examination of the ends and aims behind it, prove the American college inadequate or defective, in any but a destructive and circumstantial way. Indeed, we cannot fall into the unprofitable fallacy of interpreting the spirit of modern education by the letter of personal ideals, however attractive, as to what the true university ought and ought not to imply, rather than by the soil and substance from which it sprang, and the people for whom it was created. A people and its institutions reflect each other and are two words for the same idea; and if we are to judge as to the soundness of an institution we must first inquire into the people whose needs it must satisfy. Intrinsic incongruity between the need and the vehicle for the satisfaction of that need will alone prove the latter unsound, and work its undoing.

What, in the peculiar heritage of the college man, leads him to reject the "Great Tradition" of liberal education, in favor of Dr. Abraham Flexner's contemptuously designed "bargain-counter education." What ineluctable forces compel him to make such a choice, and will continue to influence his preferences until newer and stronger forces move in to take their place? In what way may the present system of higher education claim to be an adequate expression of the American people?

Briefly, the case of the American Everyman takes on some such color. He is, inevitably and incurably, a specialist, and only superficially attracted by whatever lies beyond his own professional pale. Problems of efficiency interest him peculiarly; he must get things done swiftly, and in thorough order. His ethical mentor is a general opinion and a statistic. He is born with the smoke of furnaces in his eyes and the beating of hammers in his ears; he counts his days scrupulously, with clocks and calendars and threads of mercury, decimeter by decimeter. He is planted in an environment of steel and stone, and builds his household in a great box, among a thousand like him. A million wheels carry him where he pleases, swiftly and without question, for a sum. He breathes an air crackling with activity and a nervous, if stale, flow of energy from one place to another. One man shall polish his shoes, one shall shave his beard, one set a bottle behind his door and collect his yesterday's bottle, morning after morning, religiously.

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Proceeding, as one must, from such a set of axioms, the American university may not justifiably be termed a perversion of the American mind and culture. It is neither a misfit nor a mockery; it is narrow and circumscribed, apathetic, impatient, self-sufficient; and we are all of these. It is essentially bureaucratic in nature, segregating itself into various departments firmly and rigidly defined one from another; and America has built its commercial structure upon just such a basis. It is a parallel and counterpart of the American mind, and is therefore immensely qualified to serve the American people. Both are concerned less with theory than with application, less with causes and philosophical inquiry into values, than with results, utilities, patterns, accomplishments. It has dedicated itself to the immediate business of getting results. Its lodestar is not refinement, nor is it education; it is bread and butter.

There is, assuredly, no point in denying the obvious fact that a public university, in the present-day and pragmatic sense of the word, has ceased to be an institution for the dispensation of culture—assuming it ever to have been such. It has become, as Nock and Flexner forcefully, though rather superfluously, testify, a system by which, for a sum, the young man may best be trained to master the factual intricacies of any of a given number of livelihoods. The American college, has, without exception, placarded its entrances with a stentorian, *"Pay As You Enter,"* and the college man of today expects information of a tangible and immediate kind, in return for the tangible and immediate fees he is required to leave at the turnstile. Exclusively "cultural" electives he has no use for, and would, for all his veneration of cash values, no more accept gratuitously, than if he had been made to pay out extra sums for their purchase. So long as he feels assured he is laying up for himself treasures in a present and earthly heaven, he wishes for nothing better, and will, with the spontaneous and pugnacious candor of sincerity, reject all kind offers of incidental culture.

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Theoretically, this would seem to be a selfish and unhappy state of affairs. In the world of disembodied cerebration, entirely apart and most frequently hostile to the world of practice, we would do well to don the tragic mask along with Mr. Nock, and sit in sackcloth and ashes for the Grecian glories and the Arnoldian grandeurs, bewailing the heinous selfishness of present-day educational objectives. Yet such a procedure would, as Mr. Nock bitterly admits, reap for the mourner only "the melancholy satisfaction of knowing just where one stands." The significant fact is that Mr. Nock, for all his brilliant case history, is left standing precisely in such a melancholy tableau with his lesser disciples huddled about him in postures of serene and frozen futility.

Statuesque despairs help little one way or the other. Instead, it would seem highly desirable that, once having ascertained "just where one stands," one would forbear to indulge his more sentimental inclinations and seek other than merely "melancholy satisfactions." As soon as, like Mr. Nock, "one perceives that no other line of institutional development is practicable or possible," than that now in use, those who have the practical welfare of the nation at heart should find the humility and good sense to let the dead bury their dead, and turn their own attentions to the living, whom they have a better chance of benefiting.

Nor do I consider it of any great purpose to seek cultural measuring rods across the Atlantic, as Mr. Nock has attempted to do. In a series of provocative lectures upon the subject, presented at the University of Virginia two years ago, Mr. Nock submitted the rather

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petulant avowal that "the Continental institution feels under no obligation to regard the average student as a privileged person," inferring that the American institution has done so. He proceeded further with the contention that the Continental university scorns to temper its curricula to the shorn lamb and entertains no false notions of freedom, democracy, and equality. In consequence, Mr. Nock advances, the Great Tradition flourishes and reaps an annual harvest of philosophers and long-faced young school teachers.

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These facts can neither affect conditions here nor prove them unsound, and are consequently beside the point of helpful application. It is difficult to see how, beyond an adroit turn of rhetoric, Mr. Nock has been led to regard the average student as a privileged person. The fact that the American university is forced to disregard the exceptional wants of an exceptional minority in favor of the demands of an urgent majority does not indicate that the majority has been showered with privileges of one kind or another. In making such a shift of proportions, public colleges may hardly be said to have acted from motives of magnanimity, or any prejudiced despotism, but in healthful obedience to the tenor and demands of a civilization—demands such as lie beyond our approval or disapproval, but existing, they are expression of the personality of a people.

The simple truth is that the college man is not only inclined, but compelled to take himself and his future with desperate seriousness. His picture of the world carries no color of rose-petals, nor is it shaded by the plane trees of a serene philosophical indifference. He knows it for what it is, and fears it for what it shall be —a difficult and brutally selfish free-for-all, plagued with competitive interests and demanding a sound knowledge of technical and specialized information in any single field. Because he is a characteristically human being he wishes to forge for himself a direct and simple path to personal happiness; because he cannot escape the movement of his time, nor the accident of his personality, he demands that his line of procedure be impeded by no extraneous obstacles which he is neither capable nor desirous of adequately overcoming. And because the American college must take on the color of general needs and present objectives, it has endeavored to furnish him, as far as possible, with such specialized weapons as will most immediately and tangibly help him to defend himself.

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It is a simple and unpardonably arrogant matter to set the brand of mediocrity upon this circle of circumstance, to speak of privileges while in the very act of demanding privileges of one's own, to heap opprobrium upon the shoulders of the many, because they have not been what their natures do not permit them to be. In the desire to fortify their postulates with a structure of incontestable logic, reactionary critics of modern education have all but ignored the human and personal side of the question, and in so doing, have lost their usefulness. The entire field of contention is adorned with ivory towers in a single pattern, fastidiously mortised, but of no simple utility, save where the builders have thrown aside a loophole to shower contempt and ridicule upon the heads of those who pass below.

It becomes, in the end, a human, rather than an intellectual question, a matter of fitting the general educational scheme to a general personality. And this is no new dilemma, warranting all the present agitation, but is as old as education itself. Edward Gibbon, for all Mr. Nock's admiration of the Continental methods, had only abuse for the irreproachable English Temples of Culture: which might seem to prove that the English disregard for the Average derives in reality from little more than star-gazing and benign indifference. It was Gibbon's feeling that he had lamentably wasted his time; and Gibbon, we may believe, was an honest man. So are they all—all honest men; and when young college men continue to insist, earnestly, honestly, unequivocally, that they are wasting their time, they should be taken at their word and allowed to turn their efforts in more purposeful directions. Nor are they to be censured or ridiculed for doing so, nor must the American college be laid open to scorn because it has ministered to their demands, leaving them to work out their own cultural salvation in the homely and utilitarian, but, by reason of their stress, rich, channels of human intercourse.

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I think this to be the plain and practical truth, and therefore feel, with none of Mr. Nock's amused despair, that any policy of education other than that now in use would be absurd and unnatural in the America of today. Its own monstrosity would destroy it. I cannot conceive of the ideal syncretism of Cardinal Newman in a country of hustlers and go-getters. It is a contradiction and a paradox, and should therefore be stricken from the list of all practicable consideration, wistfully, if you will, but without despair or embarrassment. In the end, neither the man of letters nor the man of affairs loses, for the university, whatever its shortcomings, provides a useful outlet for both. The true university of today, in the last analysis, resolves not to a collection of books, but a stimulating teacher, and with such a teacher, we need not quibble about price-tags, or systematization, or external forms.

It is useless to attempt to liberalize higher education into planes of disinterested pursuit of knowledge for its own sweet savor, to make huge, ranting stabs at that interfusion of all intellectual currents into the single stream, which is the perennially impossible ideal of the university. So long as the American heart is after the ideal of a full purse, there shall his mind be also, and there, in fine, his university shall, and should follow. The educational reformer has, up to the present, done little more than tease himself with the harps and golden avenues of an intellectual Never-Never Land and surrender himself to the blandishments of impracticable theorizing. If he can succeed in convincing the American people that its criteria of what is and what is not worth its perspiration and, more important still, its gold, are as ethically contemptible as they are inevitable, standards of education will of themselves seek out a higher level, a farther star. Until such a millennium shall break, it behooves us, for all practical purposes, to leave our wagons more accessibly hitched and follow, since we must, the wheel-marks they have cut unbeautifully, but indelibly, across the thoroughfares of American education.

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Music at the Cross-Roads

By Pierre Key

Thousands of musicians unemployed and the leading music organizations of America operating on curtailed budgets indicate the crisis in American music which has been studied by Pierre Key, well known writer and critic of music.

A SLENDER, GREY-HAIRED MAN comes quickly through a door at the rear of Carnegie Hall stage. Twenty-five hundred persons have been watching that door with growing impatience for nearly half an hour. They know that Arturo Toscanini ultimately will emerge from it, and walk with those brisk little steps of his down front and thence across to the small platform which the music critics love to refer to as "the podium." Having previously decided to come to their feet as a tribute to the king pin of orchestra and opera conductors, most of this Carnegie Hall audience pops up at his appearance like so many automatons. But Toscanini does not encourage the demonstration. A few bows of acknowledgment from the Italian maestro, two smart raps of his bâton on a violin music rack at his right and the 1932-33 season of New York's Philharmonic-Symphony Orchestra is on.

A few weeks later a throng of people swarmed into the New York Metropolitan Opera House. Color and smart costumes enlivened that scene about the portals of an institution referred to by some as the foremost lyric theatre extant. Though more or less a repetition of what had taken place at the beginning of each of the forty-nine seasons which had gone before, this particular scene held drama. That is, it did if you knew the circumstances surrounding that opening night, for the old-time Metropolitan Opera Company—reared upon a presumably impregnable foundation—had given way to the Metropolitan Opera Association. That one word "association" must have conjured up in the imaginative minds a picture. It appeared to have suggested the Metropolitan's days of pomp and glory, when illustrious artists strove for the privilege of appearing before the most operatically-pampered audience in the world, and a début there was in truth an ordeal, and the crowning achievement in any career in music.

For on this recent evening the throng which pushed slowly through the several entrances into the Metropolitan realized that a new leaf was being turned in the book of the opera. A curtailed season was replacing the preceding seasons of twenty-four weeks each. A reduced operating budget was in order; the people knew that too. They were also aware that the financial crisis through which the Metropolitan had passed not so many months before meant changes. "Company" connoted exclusiveness. "Association" almost spelled democracy. What would those changes bring? The question is indicative of the present state of music in America. Within a twelvemonth there had come a crystallization of events that compelled speculation on the outcome.

Where, with restricted financial resources, was opera headed?

What was likely to happen to our major symphony orchestras?

To what extent was the study of the various branches of the music arts to be affected by the developments of recent times?

What hovered in the field of recital, concert, and oratorio?

How was the mechanization of music affecting the art, —more especially the sound films and kindred devices which have displaced so many orchestra instrumentalists?

And radio: was it ultimately to replace the "personal appearance"? Were its worthwhile programs being offset by the more numerous commonplace ones, and those of a questionable order?

Such, in substance, are the essential matters which musically inclined persons are thinking about today. There is no escaping them; the obvious question is, what is going to happen musically tomorrow? For America is at the cross-roads in its music.

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It is depressing to contemplate the number of unemployed music makers. Finding audiences for them has become increasingly difficult since 1922, at which time the professional contingent first began meeting with serious obstacles in their efforts to find engagements. Already swelled by the steady arrival here of music-makers from Europe, their ranks increased from 1922 even more rapidly. Having been told how good the music going was over here they lost little time in starting after American dollars. In those happy days a thousand dollars an appearance was the lowest sum to set as a starting point; for it was considered "good psychology"—a measure of stamping an artist's rank and ability—to put a fee on his services for a single appearance of at least one thousand dollars.

Under such a system things didn't always work out to the best interest of those who managed concerts: those individuals and organizations which signed contracts with the artists' personal managements, and assumed the major responsibility for their various appearances. In some instances the thousand-dollar singer or instrumentalist (sometimes the two and the three thousand dollar "star") departed for the next town leaving a sad-faced local manager with a sizable monetary deficit.

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In other words, inflated prices for the services of artists accelerated so rapidly after the initial start that there seemed no stopping point. An artist coming from Europe to sing leading rôles at the Metropolitan could generally count on a fat "extra" just for the prestige his Metropolitan engagement carried. It was the same, in only a slightly lesser degree, if the manager could announce "of the Chicago Opera." And since the American public had already proven its susceptibility to the "star" system, what more natural than that it should be played upon to the limit?

This inflation of fees for the services of singers and instrumentalists did not center exclusively around the highest-priced group. It extended right down the list to the $500 artist who, prior to 1918, would have been better off and content (as a number of them were) with half that amount. With the influx of Europe's music best (who did not always turn out to be that) there was added each year a flock of American singers and instrumentalists. Such additions required nothing more than time to bring about a supply of "talent" far exceeding the demand. By 1925, when radio first began to make itself felt as a possible competitor of concert-givers, mediocrity loomed all around. One heard plenty of fine voices, but very little save mediocre singing.

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It was much the same in the ranks of the pianists and violinists. While they all had something pleasant to offer, the vast majority were far from qualified to having chosen music as a career. It meant little more than offering an obstructive kind of competition; and all too often securing engagements which should have gone to artists truly deserving.

The depression has already disposed of some of these unduly aspiring people. Before normal times have returned many more will have sought other means of a livelihood for which they are better fitted. Along with those orchestra players who pose as "musicians," yet who are not equipped to hold positions in the finest orchestras, they will make way for their betters. Contrary to being a regrettable situation it can only serve, in the end, to benefit everyone concerned. There will, at least, be other fields offering better opportunities than those which await them in music, where trials and heartaches have been their chief experiences for too long a time.

We will nevertheless have other newcomer aspirants for recognition in music and for whatever emoluments they may gain. If nothing else were responsible the teachers would see to that, despite the efforts of so many of the more conscientious to steer their pupils clear of trying to make their music either a vocation, or a remunerative avocation.

What we no longer have to the extent we once did are the theatre orchestras . . . more particularly in the larger motion-picture houses. The sound film and the phonograph, with amplifier attachment, has attended to that. Once fairly started, the replacement of thousands of orchestra players with mechanized music took place within a comparatively short time. It began in 1927-28—a few months after the first showing of sound films in the Warner Brothers Theatre gave forth the new note which was to change so completely the motion picture industry. At that time there were 22,000 orchestra players in the United States and Canada, nearly all of whom were employed. Of this number opera and the legitimate theatre were using 2,000 players and the motion picture houses about 20,000.

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Within a few months there were fewer of these picture theatre instrumentalists employed. A year after the general acceptance of sound films thousands of orchestra players and organists found themselves out of jobs. Mechanized music had eliminated them—at least for the time being. But it was not long thereafter that signs of a reaction appeared. Here and there some pretentious cinema house reengaged an orchestra. While the majority of such houses found the music which had been worked into the feature more or less satisfactory, the demand for superior "programs" made an orchestra necessary. Although finding a place, mechanically produced music was proving far from all-inclusive. Moreover, patrons of some legitimate theatres which had turned to some sort of "canned" melodiousness were growing weary of reproductions which were below the par of the original. Little by little came the return of the theatre orchestra men to their former places.

Excellent though some of the mechanized music admittedly was, the need for the musician himself finally was making itself felt. After all, it seemed, there were instances and occasions where a substitution for the original wouldn't work. By 1930 his rehabilitation seemed well under way. Then—at the moment when a real turn in the orchestra instrumentalist's affairs appeared to have arrived—came the peak of the industrial crisis. The year 1931 had marked the low point, with only 4,000 of the 22,000 union musicians employed. Then came an upward trend. By February, 1932, 8,000 were at work, though not for long. Since then has come a gradual decline in the orchestra player's fortune, and today employment conditions are worse than those of 1931.

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What will happen tomorrow in the entire music world can be anyone's guess. Astonishment would have greeted the statement, only a few years ago, that 1932 would find the Chicago Civic Opera closed, and the New York Metropolitan seriously concerned over its immediate future. While the wilting of the western institution was mainly due to the financial collapse of its chief backer, it is also a fact that other music conditions in Chicago are at a low ebb. The Chicago Symphony Orchestra wasn't certain of continuing its activities, largely because of music union troubles, until almost the last

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moment possible to arrange for the current season.

Yet, music in Chicago, as well as elsewhere in this country, will go on. Moreover there is every probability that it will expand—when and as circumstances work to such an end. Even at this moment of writing there are several minor opera companies active in Chicago, just as one now appearing in New York is meeting with encouraging support from a public plainly gratified over its excellent performances. The Metropolitan, too, is preparing as never before to gain a popular support that will help point the way for future planning. Because such planning would seem to be necessary, if the Metropolitan is to retain its prestige as the world's first lyric theatre.

Quite plainly, then, music in this country is hesitant, and in a confused state. Several of the major symphony orchestras—the Cleveland, Detroit, Minneapolis, St. Louis and San Francisco—felt moved to make drives in order to bring the ticket subscriptions up to the point imperative to going on.

The expense sheet for our large orchestras is unbelievably heavy, ranging from the more than a million dollars for the New York Philharmonic-Symphony down to the one hundred and seventy-five thousand dollar budget, the lowest of all. But music cannot develop without the symphony orchestra, for it is the element responsible for most of this nation's music growth since the turning of the present century. There is also another vital element. Specifically, it is the millionaires' millions. Having figured prominently in bolstering good music and promising talents, this element belongs conspicuously in the picture.

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To what extent it will figure in the future may prove to be another story. Plentiful even before, and then throughout and after the World War, these millions are fewer now. Only the other day, at a meeting of major symphony managers held in a mid-western city, it was regretfully admitted that "the day of huge individual gifts to orchestras is over" and that it would be necessary to reorganize and secure smaller gifts from a large group. A greater system of economy regarding royalties and soloists will have to be inaugurated. For orchestras with invested endowment funds are finding themselves crippled as dividends on investments decrease and they have to cry for extra help. If this does happen we shall come in time to value more than ever the public spirit of our leading music benefactors—William A. Clark, Jr., John L. Severance, Clarence H. Mackay, Otto H. Kahn, Harry Harkness Flagler, Mrs. Edward Bok, Mrs. Christian R. Holmes, and others. Their names eventually will appear on the scroll alongside the names of Henry Higginson, Mr. and Mrs. Charles P. Taft, Augustus Juilliard, and George Eastman. In short, there are signs which lead to the belief that music may be shorn of some of its erstwhile millionaire support—unless, or until, shrunken security values take an about face.

To the person familiar with world music conditions, the situation is at once complicated and puzzling. Especially in our own country. No longer ago than last month a man wanted to know what is happening to our music. He didn't mean the music of American composers. What he had in mind was music in general as it is dished up to us: what we hear in the concert auditorium, at the opera, in the home, the theatre, and via radio. His question is one which has been asked again and again. Because for seven years past changes have been creeping into both the aesthetic and the industrial branches of music. Long before the depression accentuated matters, it was apparent that the trend was veering in other directions. The orderly procedure which for thirty continuous years had carried this nation to a fitting appreciation and support of musical good things began to get out of step.

Some ascribe these disturbances to changing tastes, due to the altered order of life following the World War. Others say the effects of prohibition, a prosperity previously unknown, and a hell-bent insistence on having a good time are responsible. A third opinion points at radio as the cause: while a fourth sees far too many musicians for even the present large demand to absorb. It is probable that each of these elements has contributed to the evolution which has brought us musically to a point where we are deluged with musical (and unmusical) sounds of every conceivable kind at the moment when thousands of music-makers cannot find work.

Conditions were quite different thirty years ago, during the rising period of our major symphony orchestra development. It was then that millionaires were prompted to take more than an ordinary interest in music projects which, they realized, were for their communities' good.

This alliance of money with music came about so gradually that for some time it was imperceptible to the public, which of course profited most. Less blind were the music-loving women. They caught the drift. They realized, too, that tying bigwigs up with notable music projects not only balanced the financial scales but made good advertising as well.

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Like the growth of other types of concerts, and opera, too, the symphony plant came up slowly. But without the financial support it received, and those quarters from which it came, we never would have been musically where we are today. The millionaires, big and little, set the pace. Since our government grants no subsidies to music, as do the municipal and national governments of so many foreign countries, private support is music's main prop. The extent of its service cannot be over-estimated. No section of a community is overlooked, nor are many individuals. If the symphony orchestra is truly the main pillar of the music edifice, nothing, which is calculated to form a necessary part of the whole appears to be left out. The private wealth of the nation which is musically inclined (for unmusical wealth often refuses to open its purse in behalf of the muse) swings all the way from its symphony orchestra gifts to helping a school

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boy or girl buy a new fiddle or a horn. It is a generosity that reaches the music settlement schools as well as a host of other good musical causes.

If all this did not prevail in Theodore Thomas's time it was only because things were getting under way. They needed what he and his colleagues gave, no less than what music's financial backers gave; and quite often, in the hearing of music itself, they got what they did not immediately like until they had learned either to like or, to, speak honestly, "endure it."

That may have been a high-handed way to build up an appreciation of symphony music, yet it seems to have worked. And so did Thomas; for those days knew nothing of the "guest" conductor system, which grants a lengthy recess to the permanent leaders of most of our foremost orchestras almost before they have gotten thoroughly warmed up. Those were pioneering music times for this nation. Backed by traditions of the Boston Symphony and New York's Philharmonic, the western music trail-blazers met with many a helping hand. Chiefly, let it be said, was it a feminine hand; and one that was just as effective in yanking a protesting husband out of his carpet slippers to go sit through a Beethoven symphony.

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In the course of time those stern and sturdy methods of music persuasiveness gave way to others which were based on doing what was "the thing." Still, long before music was adopted by society's rulers as an essential part of their trappings, it had truly gripped our people. Those were glorious days: which brought Adelina Patti, Anton Rubinstein and a galaxy of other stars into the foreground. Nothing interfered with the orderly progress of music from that time on. Not, at any rate, for a full quarter of a century, a period which must forever prove illuminative reading in our music history book.

The day of Walter Damrosch arrived. It was a day which put that then young man with unexpected suddenness into the place previously occupied by his father, Leopold Damrosch, and moved him progressively from director and conductor of the German Opera Company to his long leadership of the New York Symphony. We probably never can rightly appraise what the Walter Damrosch orchestra and opera tours, chiefly the former, did in awakening in the people of the middle and far west a realization of what music could come to mean in their lives. But Harry Harkness Flagler must have made his own appraisal. Long a close friend, as well as admirer, of Walter Damrosch, Mr. Flagler at length volunteered to personally pay the New York Symphony's annual deficits. He might still be paying them if the unnecessary rise in operating costs had not made him feel that the top seemed never to be attained.

A peak in our orchestra achievements, seems to have been reached about 1928. Whether it will prove to have been *the* peak, time alone will tell. But certainly it was a high spot. Unable longer to withstand the tempting money offers, Toscanini had come to New York; the combining of the New York Symphony with the Philharmonic had touched public imagination; and the Philadelphia and Boston orchestras were also out in front. Not far behind this Big Three were several others, prominent among them being the Chicago Symphony Orchestra backed by its large endowment. The Los Angeles Philharmonic thrived under the liberality of W. A. Clark, Jr., and the feeling that the Cleveland Orchestra should have its own home and a place equal to the great national trio, led Mr. and Mrs. John L. Severance to give one million dollars for what is probably the finest symphony edifice ever built. Paralleling such beneficence was the two million dollars given by Mr. and Mrs. Taft for Cincinnati's art welfare, which of course provided for its orchestra. With the New York Philharmonic-Symphony, the Boston, and the Philadelphia orchestra endowments and annually pledged guarantees the symphony orchestra goose certainly hung high—up to and including the 1929-30 season.

The happenings from that point on cannot be accurately tabulated until the nation has solved some of its existing industrial problems. For until what must be stabilized *is* stabilized it will not be possible to determine to what extent the depression has affected music. What can be readily seen, though, is the contrast between the musical times of earlier days, and those following the conflict which sent our soldiers across the seas. The half decade from 1918 to 1932 will always stand forth as the link between our earlier music ways, and those we have taken on since the latter date.

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Before 1918 (roughly, during the ten years from 1908 on) there was unmeasured satisfaction over music conditions, both from within, and outside, the profession. While assuredly the golden period of the Metropolitan Opera with its golden horseshoe, that musically forward decade didn't stop there; it touched other music circles as well. Caruso and Geraldine Farrar topped an array of operatic singers who were approached in excellence only by Oscar Hammerstein's stars, with Luisa Tetrazzini and Mary Garden marching at their head. Refusing to take a back seat, Chicago and Philadelphia shared for a time the organization which ultimately became the Chicago Opera Association—which soaked up Harold McCormick's and the late Edith Rockefeller McCormick's millions like the proverbial sponge.

But that wasn't all. The music festivals, financially well-backed and attracting throngs, were participating in the nation's general music upswing; and if any era in the past half century was good to the medium-priced concert singer and instrumentalist it was this one. The fees were not large (if we except those which the opera stars and a very few instrumentalists, such as Paderewski, drew down). But living was less costly than later, when the inflation began.

The music conservatories also grew fat under their huge enrollments of pupils; and it was equally haying time for the independent

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music teacher of every kind and class. Music surely was climbing fast in those days. Reaching out for additional fields it invaded the public schoolroom. Invaded it somewhat hesitatingly, not knowing what the reception would be. As events developed there was no call for worry. Judging by their response, the high schools and "junior highs" seemed only to have been sitting on their own doorsteps waiting for just that thing. In other words, these youngsters ate music up. So much so that today—barely fifteen years after the movement really started—there are 59,000 school orchestras and bands, with enough choruses and individual music pupils to make another army.

This interest in music on the part of so many of the nation's youth is fast becoming a significant factor in our music development—first, because the movement itself is so young. Thereafter it assumes importance through the influence these boys and girls can exert in bringing their parents into music. The capstone should come later, as full maturity is attained by this numerically swelling group which promises within a few years to grow into several million adults capable of pointing out to several million others the benefits which listening to music gives.

Who can say that the development of a national opera may not come from these movements?

Then there is radio—still in its swaddling clothes, still an unknown factor, and therefore a medium for the spreading of music which is to be watched. Although radio has done much *to* music, it also has made positive contributions. To what extent the frequent broadcasting of the several major symphony orchestras, the performances of the Metropolitan Opera, and the air appearances of distinguished singers and instrumentalists affects the patronage of what is presented in the concert halls and theatres one cannot accurately state. While radio probably works both to the advantage and disadvantage of the music arts, it seems less a deterrent than a few years ago. Also—and here is a point worth considering—radio is giving employment to hundreds of singers and instrumentalists who would find little acceptance elsewhere.

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What direction radio will ultimately take musically is as puzzling just now as to attempt to predict the direction of music itself. But for the latter certain elements appear to be definitely indicated: the trend towards democratization; a lowering of operating costs and selling prices to the public; and the elimination of all that is superfluous to general needs and patronage.

Finally, we appear nearing the moment when the welfare of the capable American music-maker must have full and unbiased consideration. Because he hasn't been receiving that consideration. Eminently fair-minded in most matters, the American music public seems to have regarded the imported product as invariably superior to our home grown variety. Having so often proved the contrary it would appear fitting, especially in these times, to give the American musician his just dues. And if there is little to choose between the American and the foreign musician, well—in such circumstances my preference would be given without exception to a compatriot.

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Outlook Book Choice of the Month

Reviewed by Robert Cantwell

SARDINIAN SIDESHOW. By Amelie Posse-Brazdova. 261 pp. New York: E. P. Dutton and Company.

THE WAR produced some strange experiences, aside from those which took place at the front. "Sardinian Sideshow" is a record of one of them, the experience of a group of people who were in Rome at the outbreak of the war, and who were caught up in the rush of extraordinary orders, and were interned. Their position was ambiguous; they were neither prisoners nor free individuals; allies nor enemies. They could wander about the island of Sardinia almost at will; they could swim, make friends with the natives, paint and in other respects pursue their normal occupations. It was, in fact, a long holiday for them—except that it was a forced one, isolating them from a world of violent happenings and giving them a life of artificial calm in the midst of world-wide storm.

It had a curious effect on them. Amelie Posse-Brazdova was on her way to Rome, from Sweden, when war became certain; she was on her way to her wedding. As she approached Italy, while passing through Austria, the unrest and anxiety became increasingly feverish; the train was stopped and searched constantly and as she was a foreigner, she was regarded with particular suspicion. She was taken from the train, blindfolded, and cross-examined, but since she could answer all the questions asked her, since she actually was going to Rome to be married, the guards let her pass. A little while later the boundary was closed, and Amelie Posse-Brazdova was interned in Sardinia.

As she was a citizen of Sweden, she was legally protected against such treatment. A complex situation arose. As soon as she got to Rome, she married a Czech painter, and as Czechoslovakia was then a part of Austria, her husband was confined with the others—even though, as a member of an oppressed nationality, his sympathies were directed specifically against Austria and he had refused to return to that country before the war broke out. The times were too hurried to make allowances for such cases. The issue was too complicated to have gained the attention of the authorities at that time, and the popular feeling against foreigners was too strong. Amelie Posse-Brazdova and her husband went to Sardinia, along with another Czech who worked in the Vatican Library, and seven Polish priests.

There was a sizable disproportion between their experiences on the island and the great events that were responsible for their being imprisoned. With conscious or unconscious irony (it is difficult to say definitely, for at times the author seems very naive, and at times very sly) Amelie Posse-Brazdova describes the suffering they endured because of the war: enforced monotony, discomforts because of vermin, troubles with servants. Occasionally she mentions the dullness of their lives, only to contradict herself in the next chapter by a bit of prose that describes it in the most appealing fashion. For after the first swift narrative describing the events leading up to the internment, the book becomes an informal collection of anecdotes, all loosely connected by being associated with life on the island, but otherwise unrelated. They are written in a style that suggests the author looks back upon her experiences with a certain tenderness, as though she felt a sentimental regard for Sardinia and for the Sardinians, in spite of the fact that she might never have seen them if she had not been forced to do so.

The island seems to have been a refuge for odd characters; a wonderful hunting ground for the novelist. An old baron entertained them in a villa that was falling to pieces around the dinner table. Count Amore, greeting them in the name of the local aristocracy met them at midday dressed in a dinner jacket, riding breeches and boots, and read them verses of his own composition. The natives, after an initial period of distrust, became friendly; they were more companionable than the aristocrats and associating with them was less of a strain. By the time the prisoners were released their close friends included a cook, a fisherman and a gardener. They were planning to escape together; the fisherman because he wanted to avoid conscription, and the prisoners because they were bored.

Except for two episodes in which the war came close to them, this was almost the sum of the prisoner's experience. Once, when an epidemic broke out in a near-by prison camp, their peaceful existence was endangered, and when the author herself went to Rome, to try to arrange for their release, she immediately found herself involved in the intrigues and espionage of a capital in war time. Her husband's position became increasingly complicated. As he supported Masaryk and the Nationalist revolutionary movement in Czechoslovakia, he was looked upon as an ally, but at that time the authorities—some of them—were doubtful about the wisdom of supporting revolutionary movements, even those that might have hampered the enemy. For the most part a pastoral calm rested on the island. The war became increasingly remote and unreal, and the tidy simplicity of peasant life took on an added value as it grew familiar.

Precisely because so little happened, the strain placed on the author's writing is great, and it cannot be said that it always meets the demands made upon it. Writing of the trivial details of life on the island, of such simple matters as the customs of the peasants, or even of her few violent encounters with the

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Distinctive New Books

From Page's List

BERNARD M. BARUCH
has written a foreword for this verbatim reprint of the 1852 edition of

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and the Madness of Crowds

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This amazing book, originally published in 1841, has been out of print for many years. It describes vividly and in detail the great delusions of the past such as the Mississippi Bubble, the South Sea Bubble, the Tulip Craze, and the Witch Mania which have affected peoples and nations. "There is not elsewhere," writes Bernard M. Baruch, "so engagingly, carefully and comprehensively related the astonishing circumstances of each of the great popular fallacies of the earlier eras. This book has saved me millions of dollars." *With facsimile title page of the original edition and numerous illustrations, $6.00*

Certain material in the original edition was deleted when the 1852 edition was issued, and is available in pamphlet form, which will be supplied free with each copy of the book. The pamphlet separately, $1.00.

Sons of the Wild Jackass

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police, her immediate impressions are vivid and are told with a pleasing sort of candor. No episode seemed too slight to be included, evidently, and even the most casual encounter with some picturesque native deserved a careful description. All this makes pleasant reading, but when Amelie Posse-Brazdova, with a Scandinavian thoroughfares, enlarges on her experiences, the result is a little disheartening. The ideas and the social philosophy she advances are by no means new or arresting, for one thing, and for another the writing grows heavy and monotonous whenever the author begins to develop them. She seems to get out of her intellectual depth very quickly, and to thresh about wildly, grasping at every generality, until she is safely back on shore. So, in the very heart of the book, set between simple, gracefully written and matter-of-fact descriptions of the kind of life the prisoners were leading, there are two ungainly chapters that read like papers prepared for some woman's cultural society—"Sardinian Crafts," one of them is called, while the other staggers along under the heading of "Primitive Music and Drama." Presumably, when half-way through her story, the author became self-conscious about the trivial nature of most of the experiences related in it, and added this anthropological ballast to make it more impressive. It does; and at the same time makes the book that much less enjoyable. "Sardinian Sideshow" is the sort of work that is most valuable when it is least pretentious; it is no masterpiece, but when the author limits herself to what she has seen and heard she writes with humor and often with a good deal of charm.

●

Other Books of the Month

HISTORY OF THE RUSSIAN REVOLUTION. By Leon Trotsky. Volume II and III. Simon and Schuster. $3.50 each. The revolutionist's analysis, postponed from last month.

ONE ARM SUTTON. By Major General F. A. Sutton. The Viking Press. $2.50. The adventures of still another soldier of fortune, in Turkey, China and Russia, with some sidelights on the early period of the revolution.

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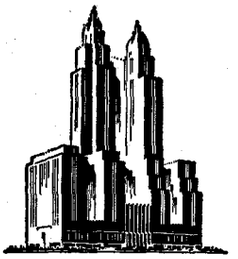

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GOING SOMEWHERE. By Max Ewing. Knopf. $2.50. A first novel in the tradition of Ronald Firbank.

WOMEN AGAINST MEN. By Storm Jameson. Knopf. $2.50. Three short novels.

THE LOST ADAM. By James Gould Couzzens. Harcourt, Brace. $2.50. Book of the Month Club choice; by the author of "S. S. San Pedro."

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In Defence Good Health

(*Continued from page* 36)

the hospital in which all, or almost all, of the local physicians participate is the center of the medical practice of the area.

The minority report differs from the above chiefly as to lines of authority and procedure. Under the proposals of both the majority and minority, the hospital is an essential center around which a broader health service is to be developed. The recommendations from both groups of the committee merit, and will receive, the consideration of thoughtful citizens and in due time after experimentation to determine the best methods of practical application, there will be great public benefit resulting from this epoch-making health study. Meanwhile, our health agencies, and particularly the hospitals, must find ways to carry themselves through the present crisis. The public institutions must be supported adequately through income from taxation and the voluntary hospitals, as in the past, by private philanthropy supplemented during this critical period by aid from emergency relief funds. These hospitals belong to all of the people. Yet they suffer for want of support from the very public whose safety is involved—whose health index has been sustained so gratifyingly. With resources dwindling toward the danger point, American hospitals proceed steadfastly with their defense of "a nation vastly distressed." Dare we let these resources run lower?

Once we begin to trim and hedge, once we begin to palter with the truth, we sow the seeds of a moral degeneration in which our economic welfare, in which our very national existence is threatened. The advocates of prohibition sowed such seeds when they passed the Eighteenth Amendment. Insincerity is at the root of it all. Insincerity is the most deadly disintegrating growth that can enter the body politic.—*Mrs. Charles H. Sabin.*

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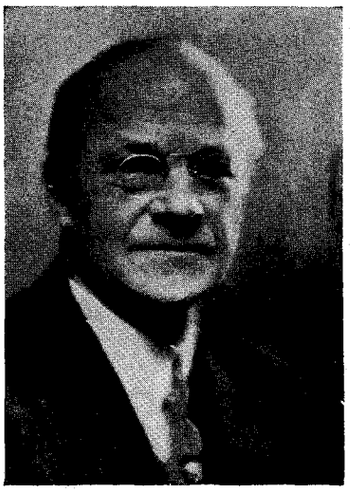
The way things have been going in New York politics, a man could pick up a fat living painting new names on glass doors.—*Arthur Baer.*



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Traveling With the News

GERMANY

The Germany depicted by Graf von Pückler in his article, "Land Without Rebels" to be found on another page of this issue of NEW OUTLOOK has to some degree been a common spectacle now for the past fourteen years—a thoroughly disorganized country, yet withal highly systematized! Such a state of being is a commonplace paradox in Germany. She is ponderously systematic, in either triumph or defeat. It was the Bismarckian militaristic system that so nearly won the War, no less certainly than it was this identical system that brought about defeat. The German—or any one of his multiple organizations—is endowed with systemic genius at birth, or on creation. Thus wound-up he continues to function—according to original plans—often long, long after the reasons for its manifestations have ceased to exist. Thus today, we observe the spectacle of a fierce German eagle with its crowned head cut off, and although recapitated with the peaceful hooded head of a Republic, it continues to function systematically.

Out of Germany's defeat and prostration from the War, sprang a new "industry"—as it was termed for the first time—a centralized bureau system for national tourism. Die Reichzentrale für Deutsche Verkehrsverbung, it was ponderously designated. It served a double purpose; first, of diverting the stream of American travel into German channels; secondly, of disintegrating the armored walls of international prejudice. The German system of Tourism has become a model for all other countries, but none have approached it in efficiency or effectiveness. None have been able to organize such a system that functioned from head to foot by the mere pressing of a button in the commodious *hauptburo* in Potsdammerstrasse, Berlin. The system included a mapping-out of practically every inch of Germany just as thoroughly as though preparing for a warlike invasion, and not a peaceful pilgrimage of all the erstwhile enemies of the Reich. The strategy in this instance was to be the pictorial ammunition of photographs which were garnered in an arsenal—more than 100,000 facsimiles of picturesque Germany systematically pigeon-holed in the archives of Potsdammerstrasse. The signal was given for attack. The scenic ammunition went booming and flying across the Seven Seas—in booklets, in motion pictures, in press photos.

Germany won this lesser War of Peace and actually did conquer the world—and France. For several years past, Germany has led them all in tourist traffic.

●

Germany herself was the first to discover the rich veins of treasure that she had pompously ignored in those high-handed Imperial days when she had met the touristic world with a take-us-or-leave-us air, implying that she was self-sufficient and self-contained and did not depend upon the snooping *auslander*.

There seemed to be a gold mine in every province of the Vaterland. Hundreds of neglected Castles were rediscovered and renovated. "Walled Towns" were dug up out of oblivion, forgotten valleys were explored and ancient cathedrals and churches made to echo again. A new tourists' paradise was born. The invasion began in dead earnest in 1928.

Take remote West Prussia, for example. Tourists braved the hardships of the Polish Corridor and found that marvel of all-time architecture, the premier castle of the Knight Crusaders of the Teutonic Order, at Marienburg, now restored to all its pristine glory. There is another one of these Teutonic *schlosses* a four-hour journey farther north at Königsberg. And while we are up at Königsberg we might as well journey a few miles beyond out on the Samland peninsula to the amber fields, where the world's largest deposits of amber are to be found.

In northern Germany, we follow the coast and visit the principal Hanseatic towns, beginning with that half-forgotten Venice of the North and the Hansa Capital, Lübeck. Time and tide have left Lübeck stranded now for centuries, but still coruscated with all the gems and riches of art and architecture that would naturally fall in the lap of one of the richest maritime cities of all times. We of Anglo-Saxon heritage

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should next pause at Hannover, whence the German Kings of Britain and Dukes of Brunswick hailed. It should be called Georgetown, for in the *gemütlich* Herrenhausen on the edge of the city, the Four Georges saw the light of day and the stables are still filled with gorgeous carriages bearing the Three Feathers insignia of the Prince of Wales. Thence, on to Essen where we may see the former Krupp Works, which in the height of the war employed 280,000 persons night and day turning out ammunition, and is now grinding out typewriters, cash registers, agricultural implements under equal high-pressure in the great battle of the Peace and world competition.

The Rhine! But in the olden days we sailed up and down without ever learning to disembark at quaint little *weindorfs* and climb one of the Siebengebirger in the morning. And even though we know our Rhine, who knows his River Mosel decked with vineyards? Or the Lahn with such superb picture towns as Limburg? And Trier of Old Lorraine, with its Roman ruins that vie with any other in northern Europe?

●

NEW YORK

New York, referred to in "Fiscal Crisis of the World's Largest City," is all things, all towns, if you can manage to isolate certain portions of it. There are moments, spots and corners, that at times fill every visitor and adopted son with a haunting vision of home.

Above all, New York is a gay city. How will you have your fun? Wall Street, money mad; Union Square, seething with its Communist mobs crying in broken English, "Down with the Government"; Madison Square, with its Liberty Pole and Eternal Light in memory of the City's War dead; Times Square thronged nightly with pleasure seekers—rubbing elbows with the hundreds of down-and-out men in the Bread Line; Broadway, the play street of America. Broadway is unique, for no part of it resembles any other broad way in the world, after the first glance. Yet it suggests them all, for Broadway is cosmopolitan.

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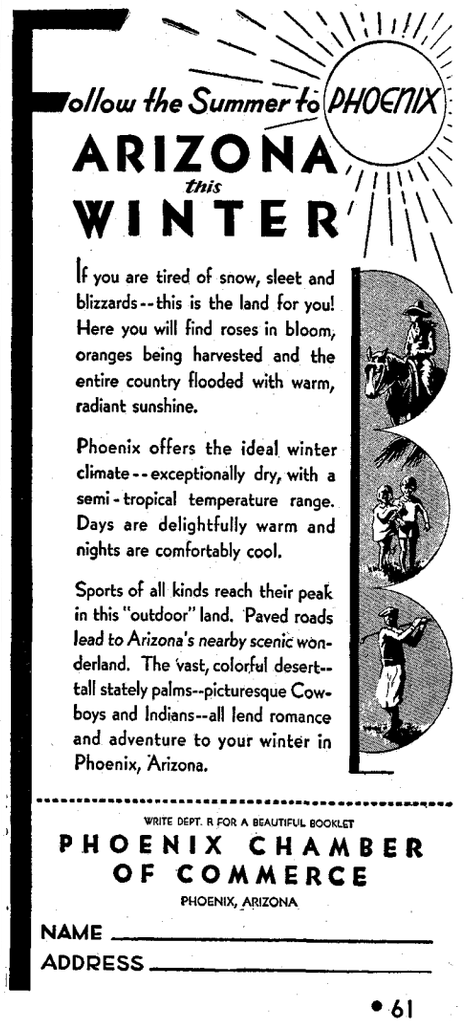
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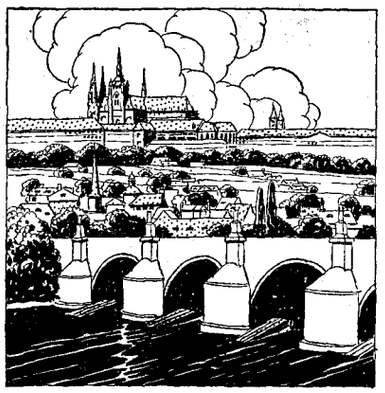

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Manhattan Island itself, viewed from afar in the dazzling sun, or rising out of the mist; massed cathedrals, castles, towers, turrets; a wall of splendor reaching the heavens. Seen at evening, studded with ten thousand thousand lighted windows touching new man-made heights of sublimity. . .

So, this is New York—all things to all men, each according to his lights and what he will see and be!—*Henry Albert Phillips.*

GUATEMALA

True—the country of one's accustomed habitation usually seems to be the least glamorous of all places in the world. It is the promise of the horizon that is entrancing. Beyond the blue rim of the visible world one visions terrains vastly more exciting, vastly more adventurous. Always there is one country which stands out rich and strange, one Cathay for every unofficial Marco Polo of today who goes down to the sea at the beck of stately ships and an untrod trail.

Guatemala is such a country. The largest of the Central American republics in population it is at once the most varied in appeal and the most persuasive in atmosphere. To man's

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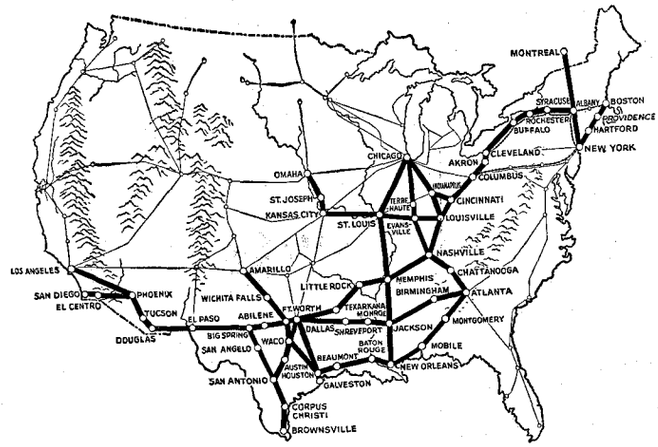

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visual sense it offers so catholic a congregation of impressions that I question whether any other republic in this hemisphere has been so endowed by nature. Littoral, jungleland, upland and cordillera are such that encountered singly each would appeal, but met with all in one day and in one country they overwhelm the traveler with an orchestration of beauties which cannot be forgotten.

Guatemala was conquered by Don Pedro de Alvarado, a lieutenant of Cortez, the great Marquis of the Valley of Oaxaca, 400 years ago. Don Pedro found it as do we, a gracious country in every season, a generous fecund land in which his hacked and hungry veterans experienced no difficulty in finding sustenance and shelter. It is not likely, however, that Alvarado, any more than did Pizarro in the unearthly grandeur of the Peruvian montaña, sought to lift up his eyes unto the hills. He was far too busy slaughtering the embattled ancestors of those Quiché-Mayan peoples whose presence in Guatemala still delights us. Indeed it is only of recent years that man has gone to Guatemala to admire merely, but today it has very definitely emerged as being in many ways the most valid of all travel objectives in the west.

It may be reached in three ways. United Fruit steamers land one at Puerto Barrios on the east coast and thence by rail for ten hours up to Guatemala City. The Grace Line's Panama mail liners east or west bound between New York and California touch at both Champerico and San Jose de Guatemala on the west coast and administer two day tours to the capital. Most recent means of reaching this land is via Pan American Airways, whose air liners from either Brownsville, Texas, or Miami, Florida, both stop in Guatemala. Let us, however, presume that we are coming in at San Jose.

Guatemala City, the republic's capital, is four hours by train from San Jose eastward and upward, on a plateau some 4,910 feet above the sea's level, an area of the earth's surface blessed with what is probably the narrowest thermal range in the world. Guatemala City's highest temperature, experienced in April and May, is 68° Fahrenheit, its lowest, recorded in December and January, is 61° Fahrenheit.

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Nearing the capital the sky in one quarter is suddenly blocked out. I have heard many travelers squeal with pleasure at the first glimpse of silver and turquoise which is Lake Amatitlan but the vision of those twin immensities, Agua and Fuego, interminably soaring into the heavens is a spectacle which begets the silence of true awe. Of volcanic shape, these colossi dominate the earth and are like cloud forms solidified.

The republic's capital of the third foundation, for its predecessors La Ciudad Vieja and Antigua, situated some miles away, were, after the ravages of volcanic eruptions, considered with justice dangerously located, Guatemala City has a population of 120,000 people. A city of shaded plazas, clean streets and houses dazzling white in sunlight its purlieus are those of any capital, but its golf club, its flying field, racecourse and modern theatres cannot destroy its atmosphere of ancient and historic charm. In the Mercado, the largest open air market in Central America, Indians of Quiché-Mayan stock squat perfectly indifferent behind their heaps of fruit and vegetables or delicately perfect pottery, basketwork or textiles, and the massed color of their garments, the primitive arrogance of their gestures, confound the 20th Century about them. The churches, too, are on the side of the past. Those of the Cerro del Carmen, of La Merced and Santo Domingo, have little to do with modernity. Like the Faith they house they are ageless, but if a secular influence impinges at all upon their claustral and beautiful quietude it is the same that did so two centuries ago.

After two or three days in the capital we enlist the services of that eminent Guatemateco-American, Don Alfredo Clark whose motor tours of Guatemala's Quiché-Mayan country are justly famous from the Gulf of Honduras to the Pacific. In one of his admirable cars we quit Guatemala City by the Guarda Viejo boulevard and pass by Mixco and San Rafael, pleasant hill villages both, to Antigua, that sleeping city known for two centuries by Charles Fifth's denomination of it as La Muy Noble y Muy Leal Ciudad de Santiago de los Caballeros de Guatemala. And truly, before Fuego's last terrible vindication of its volcanic nature, 200 years

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ago, Antigua was worthy of the title of the very noble and very loyal city of Saint James of the gentlemen of Guatemala. Indeed, it had no peer between Mexico and Panama and was a place of bells ringing continually in the sunlight, of religious processions moving daily between noble convents, monasteries and churches, of soldiers and cavaliers swaggering in plaza arches, of Indians garbed colorfully according to their village canons, of Spanish ladies passing upon their own gracious businesses surrounded by retinues of native servants.

It was the City of Guatemala, one of those many "wonders of the west" to which sailors in Lisbon, Cadiz, and Coruña referred over leathern wine cups and identified with streets of golden metal and houses wrought from jasper. Today, exploring the noble ruins of the great monastery of the Capuchins, inhabited now by Indians who sit weaving their patterned stuffs in vaulted corridors and stone dortoirs and refectories which bear eloquent testimony to the wealth of the great order which built them, one can without effort reconstruct the capital of two centuries ago with its 80,000 people where barely 10,000 live today, its university honored throughout the Americas and its five score holy structures.

One quits Antigua reluctantly lest some corner compact of tragic romance has escaped attention, yet with something, too, of relief. For a little living town within the storied shell of a city once considerable, bannered and gay with circumstance and now one with Troy, somehow abashes the soul on too long an acquaintance.

By San Antonio and San Felipe, the latter a place of miraculous cures wrought by its image of El Señor Sepultado, Spanish and saintly in name but pure Indian in character, Pastores, Chimaltenango, Zaragoza, Patricia and Patzun, we come to Godinez through one of the richest coffee countries in the world. Farther, on the Chimaltenango flats the maize crawls like the sea from horizon to horizon, wheat surges on the great Patzun plateau and always in the sky the conic symmetries of volcanoes gunmetal blue against a paler sky, draw the eye upward. At Godinez we look down 2,000 feet at the rippling carpet of Atitlan, a lake of shifting colors ranging from

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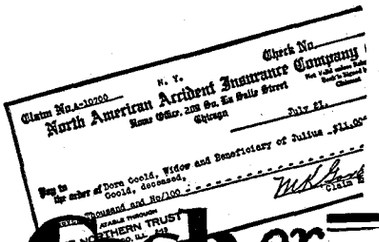
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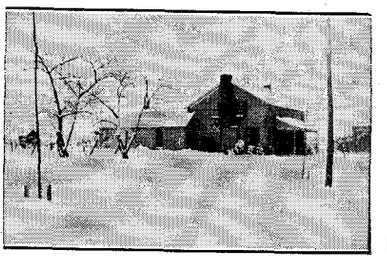

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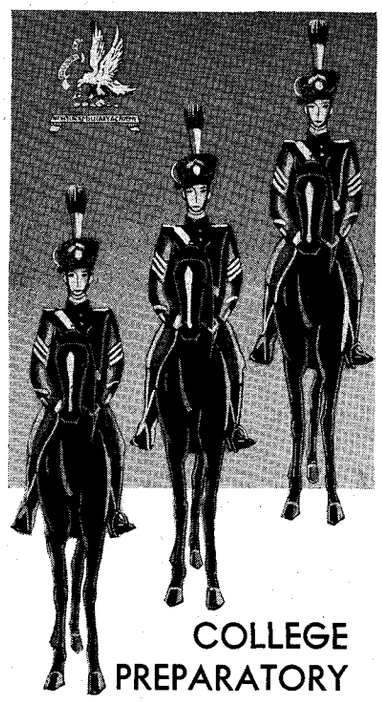

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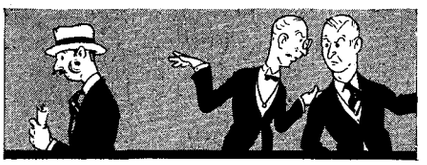

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Technocracy

(*Continued from page* 16)

small increase in the number of workers per thousand. Nor does he mention the many new industries that have grown up in the intervening years, and the vast number of women who have entered industry, both of which factors might have been expected to increase the proportion of the population employed. Nor does he say that the peak of industrial employment occurred in 1918, a fact in which Technocracy is supported by the research laboratories of the Eastman Kodak Company.

If the inauguration of machines meant more human laborers in relation to production, we would certainly have to have millions more workers than we have today. No one would attempt, surely, to say that our production has not increased enormously in the past forty years. An important factor here, and one which the above-mentioned editor carefully evades, is that under our price system, with greatly increased production, virtually the same number of workers are expected to consume *and pay for* an even greater amount of goods to furnish the buying power for machine production.

The future is uncertain, but it has the finest potentialities ever afforded any human society.

Already some of the leading educators have arisen to the task of revising educational procedure to fit a changing society, a society in which a major problem will be that of leisure. They see for example, the absurdity of the expenditure of millions of dollars on trade and vocational schools in an age when industrial processes are tending steadily toward the automatic in every line. In this group are such men as Dr. Harold F. Rugg, of the Lincoln School, Dr. George Counts, Dr. Goodwin Watson and Dr. Clyde R. Miller, all of Teachers College, Columbia University. The problems facing us are peculiarly American. No importations from abroad can be of any use to us. As Thomas F. Woodlock pointed out recently in "The Wall Street Journal," the problem is purely Democracy's. It is high time we got down to business and talked these matters over.

The next and future issues of NEW OUTLOOK *will discuss new angles of the theory of Technocracy.*

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